Workers Compensation Board of Manitoba

Report of Findings
November 2, 2016

Cost, Efficiency and Effectiveness Audit

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Executive Summary

The Workers Compensation Board of Manitoba ("WCB") is an injury and disability insurance system for workers and employers, paid for by employers. The Workers Compensation Act ("WCA") provides the exclusive jurisdiction to provide compensation benefits and services to workers in Manitoba. In accordance with subsection 69(3) of the WCA, the Board of Directors requires an independent auditor to review the cost, efficiency and effectiveness of at least one program every five years. In 2015, the WCB's Review Office ("RO") reconsideration process was selected for review.

We conducted a cost, efficiency and effectiveness audit of the RO's reconsideration process of the WCB (the "audit"). Our audit focused on the adequacy of the RO's current reconsideration process (assigning, managing and monitoring of reconsiderations) to fairly adjudicate reconsideration of primary adjudication decisions as well as assess the efficiency of the administrative practices of the File Access Unit ("FAU") in providing file copies.

Our audit also focused on the compliance of these structures/processes with the WCA, The Freedom of Information and Protection of Privacy Act ("FIPPA"), The Personal Health Information Act ("PHIA"), their regulations and WCB policies. We also reviewed the validity of the current internal performance measures utilized by the WCB to assess the performance of the RO and the FAU in providing services to workers and employers and/or their representatives.

Our audit team consisted of individuals with skills and experience in areas such as external auditing, performance of risk assessments, business process reviews, information technology and insurance claims processing. The audit approach was defined by a planning phase, examination phase and reporting phase as defined in Section 3.

In the planning phase, we acquired an understanding of the reconsideration process and developed the audit objectives, scope, criteria and test procedures. Audit objectives and scope of the audit were described in broad terms in the WCB's Request for Proposal ("RFP") No.072- WCB-15-082. During the planning phase of our work, the audit objectives and scope were defined in more specific terms to provide a framework for the audit. We considered factors such as significance, risk, auditability, resource requirements and timing when establishing the more detailed audit objectives and scope. Decisions were agreed with RO and FAU management and documented in our Audit Strategy and Approach report dated June, 2016.

Specifically, we determined and agreed with RO and FAU management the following audit objectives:

1. Did WCB have processes in place to generate independent and supportable reconsideration decisions and effectively communicate results?

2. Did the RO register and provide appeal decisions in a timely manner?

3. Was the Emerge system reliable, secure and being utilized to improve the performance of the RO and FAU?

4. Did WCB have structures and processes in place to maintain and monitor compliance with relevant acts, regulations and policies applicable to the reconsideration process?

5. Did WCB have structures and processes in place to manage its volume of reconsiderations with due regard for cost?

6. Were performance measures aligned with objectives for the reconsideration process, monitored and reported on a regular basis?

The scope of the process to be audited was defined to commence when a request for reconsideration is submitted to the RO of the WCB and ends once the decision/outcome regarding the reconsideration request has been

communicated in writing to the worker, employer and/or their designates. The audit encompassed the RO reconsideration process and the FAU providing information to the respective parties.

Our audit was conducted between May 2016 and July 2016 and focused on 2015/2016 activities. Our audit also considered certain trends in the audit areas over the three year period of 2013, 2014 and 2015.

A key aspect of the planning stage of our audit was to identify audit criteria for each audit objective. Audit criteria formed the basis of our audit test plan and subsequent testing. Audit criteria identified were agreed with management and documented in the Audit Strategy and Approach report. Audit procedures were developed for each audit objective, agreed with management and documented in our Plan of Execution report dated June 2016.

During the examination phase of the audit, we performed our agreed upon test procedures to develop a reasonable basis to support our conclusions. Our audit tests included, but were not limited to, interviews with management and staff from RO, FAU, Human Resources ("HR"), Policy Research, IT, Quality Assurance ("QA"), and Internal Audit ("IA"), as well as sample testing of claim files, analysis of certain RO and FAU data, review of policies/procedures/guidelines, sample audit reports by IA and QA, and comparison of certain RO and FAU data against survey responses received from similar organizations. Our findings and recommendations were presented to management and documented in our Detailed Findings and Recommendations (Section 5).

Our audit was conducted in accordance with generally accepted auditing standards for such engagements, and accordingly included such tests and other procedures as we considered necessary in the circumstances. We provide no opinion, attestation or other form of assurance with respect to our work or the information upon which our work was based. This report provides our findings, deficiencies observed, recommendations and management's response. We also provide our overall conclusions related to each audit objective, based on the defined audit scope, audit criteria and results of our agreed upon test procedures.

In our view, the reconsideration process appeared to be operating with due regard for cost, efficiency and effectiveness, subject to certain exceptions. Overall, we found that RO and FAU are well managed and controlled. It was apparent that management and staff understood their roles and responsibilities. We noted that performance measures exist and are generally met on a consistent basis. We were provided access to the information needed in a timely manner and found management and staff to be attentive to our work and open to suggestions. Based on our knowledge and experience, we identified several opportunities to improve operations. Our overall view of the reconsiderations process is reflected in our summary conclusions by audit objective.

We provide the following summary conclusions and high level summary of opportunities for improvement:

Summary Conclusions (Based on audit criteria and testing performed)	Summary of Opportunities for Improvement	Impact
In our view, WCB has processes in place to generate independent and supportable reconsideration decisions and effectively communicate results. There are opportunities for improvement. (Objective no.1)	• Collaborate with Business Process Renewal group to define a formal checklist, standardize timelines, and adopt a consistent style guide. (1 of 6 WCBs confirmed usage of a formal checklist)	• Low
	• Define a formal training and developmental work plan for both RO and FAU	• Medium
	• Update the Ethics and Code of Conduct Policy to include the following as a real or perceived conflict of interest situation: "such as adjudicating, managing and paying a claim of someone with whom there is a personal relationship"	• Medium
	• Define process maps for RO and FAU	• Low
	• Extend peer review to all external correspondence in FAU	• Low
	• Standardize the methodology for random quality checks of the FAU, and standardize the sampling strategy for RO	• Low
	• Create synergies around definition of days or replacement of vague words in the policies	• Low
	• Re-map the overall responsibilities, accountabilities, consultation and information protocols between RO and Primary Adjudication	• Low
In our view, RO registers and provides appeal decisions in a timely manner. There are opportunities for improvement. (Objective no.2)	• Explore and prioritize the upgrades to functionality in Emerge in due collaboration with the Emerge Application team on scenarios such as	• Medium (all)
	• (i) trigger of auto task creations during hand-offs between RO and FAU or vice-versa" (ii) Upgrades to reconsideration finder to facilitate an effective search (iii) Upgrades to FAU's access to facilitate tracking on individual performance metrics such as average file claims handled by each FAU staff	
	• FAU should explore opportunities for optimal utilization of Emerge functionality instead of duplicating some of their work through the use of an Excel spreadsheet	
	• WCB should explore the structural relationship between RO and FAU to maximize the efficiency and effectiveness of its operations. (2 of 6 WCBs confirmed RO and FAU were merged)	

Summary Conclusions (Based on audit criteria and testing performed)	Summary of Opportunities for Improvement	Impact
In our view, the Emerge system is reliable, secure and being utilized to improve the performance of the RO and FAU. There are opportunities for improvement. (Objective no.3)	• Develop a formal IT policy and documentation regarding the data backup and recovery process for Emerge • Update the Disaster Recovery plan ("DRP") Section of the Business Resilience Plan ("BRP") to specifically address the Emerge system • Align password parameters in the Emerge System with the WCB's password policy	• Low • Medium • Low
In our view, WCB has structures and processes in place to maintain and monitor compliance with relevant acts, regulations and policies applicable to the reconsideration process. There are opportunities for improvement. (Objective no.4)	• Update RO's policy 20.10 and practices and procedures manual • Enforce the rigor to update Board policies only through a duly approved policy intake form, and maintain a log of all such changes on the corporate portal • Strengthen the second line of defence in RO and FAU through the conduct of regular reviews by QA. These reviews should focus on compliance with defined policies and processes • Document written procedures or guidelines to support compliance with Privacy regulations for authentication of the callers regarding requests over the phone for the release of the file. Document written procedures or guidelines that outline the requirements to support Privacy during the setup of the master data or any further changes to this information.	• Low • Medium • Medium • Medium
In our view, WCB has structures and processes in place to manage its volume of reconsiderations with due regard to cost. There are opportunities for improvement. (Objective no.5)	• Incorporate the reasons for varied or rescinded decisions in the reports shared with Primary Adjudication	• Low
In our view, performance measures were aligned with objectives for the reconsideration process, and were monitored and reported on a regular basis. There are opportunities for improvement. (Objective no.6)	• Consider implementing a process to capture external feedback on RO's operations. (None of the 6 WCBs surveyed confirmed sending external surveys to the appellant and the appellee, specific to internal reconsideration.) The current feedback process could be amended to ensure this area is included. • Define quantitative performance metrics for departmental performance such as "average time taken to release each file" when there are objections	• Low • Medium

Summary Conclusions (Based on audit criteria and testing performed)	Summary of Opportunities for Improvement	Impact
	on file. Define specific quantitative metrics to evaluate the performance of FAU staff such as number of files released and overall adherence to the timeliness to release the file.	

These conclusions should be read in conjunction with the detailed findings, recommendations and management responses included in this report. These conclusions do not represent an opinion, attestation or other form of assurance.

We identified twenty four (24) recommendations that we believe may help the reconsideration process to operate in a more cost effective, efficient and process effective manner. In our view, the implementation of our recommendations will assist RO and FAU in better meeting their cost, efficiency and effectiveness objectives.

Overall, we found management to be very supportive of the reconsideration process and provided us with the information needed in an open manner. We thank the management and staff of the WCB for their participation and eagerness to identify and make improvements to their organization.

1.   *Overview and Background*

Reason for the Audit

The Workers Compensation Board of Manitoba ("WCB") operates under the power and authority provided by the Workers Compensation Act ("WCA" or the "Act"). The WCB includes Section 69(3), which requires the Board of Directors to appoint an independent auditor to review the cost, efficiency and effectiveness of at least one program provided under the WCA at least once every five years. Accordingly, the WCB selected the reconsideration process.

The reconsideration process was selected for review on the basis of its importance in maintaining the right of a worker and/or a deceased worker's dependents, or a workers' employer to request a reconsideration of a primary adjudication decision. As such, is a very important part of the services that WCB offers. The reconsideration process is the first level of appeal for decisions by Primary Adjudication regarding entitlement to benefits. Therefore it was felt that, an evaluation of the cost, efficiency and effectiveness of the reconsideration process would provide valuable information to WCB and its stakeholders for continuous improvement.

The audit will assess the reconsideration process in regards to the RO and FAU. The role of the RO is to adjudicate the reconsideration of primary adjudication decisions. The role of the FAU is to provide file copies and information to the worker, employer and their advocates in regards to the appeal.

WCB and the Reconsideration Process

WCB is an injury and disability insurance system for workers and employers, paid for by employers. The WCB workforce is made up of approximately Six hundred people who provide service to about thirty thousand employers and help about forty thousand injured workers annually.

The WCA provides WCB with exclusive jurisdiction to provide compensation benefits and services to workers covered by the workers compensation system in Manitoba whose injuries arise out of, and in the course of, their employment.

The decision concerning the initial compensability of a claim is one that involves a number of WCB employees in Primary Adjudication who gather information, make further inquiries, and then ultimately decide the acceptability of the claim. A person with a direct interest in a claim (e.g. a worker, a deceased worker's dependent, the accident employer, other employer(s) directly affected by the decision or their respresentatives), who is not satisfied with the primary adjudication decision from Primary Adjudication, may request reconsideration at the RO level.

The stated objectives of the RO are:
- (a) To provide workers and employers with a process that is accessible, timely, simple and flexible for requesting a review of decisions;
- (b) To conduct an independent and impartial file review to reconsider prior decisions made at the primary level of adjudication and case management;
- (c) To complete a comprehensive review of primary level adjudicative decisions in a manner that gathers and weighs all facts found relevant to the issue;
- (d) To decide on issues reasonably and consistently by weighing the merits of each individual case on balance; and
- (e) To communicate reconsideration decisions in a manner that is clear and concise in explaining the issues and reasons behind decisions.

Review Officers are responsible for the independent review of primary decisions for compensation and other benefits; and for the collection of additional information and investigation of information to render decisions. Reconsideration decisions must be completed in a fair and impartial manner, within the service standards documented in the "Review Office: Practices and Procedures Manual".

The reconsideration decision making process consists of a file review only. No oral hearings are conducted at the RO level. A Review Officer may decide to confirm, rescind or vary the primary level decision. Protocols to be carried out in the reconsideration process are defined in certain WCB policy and procedure documents. The reconsideration process is supported by the Emerge information technology platform that was developed in-house by WCB.

The FAU has the responsibility to review file access requests and manage injured workers' or their representatives' objections on release of information to the appellant. The sharing of information with parties participating in the reconsideration process is provided by the FAU. The sharing of information is conducted in accordance with certain Acts and regulations, such as the WCA, the FIPPA, and The PHIA. Also, protocols to be carried out in regards to the sharing of information are defined in certain WCB policy and procedure documents.

Approximately thirty seven thousand new claims are reported to the WCB annually through Primary Adjudication. In fiscal 2015, 1,304 new reconsideration claims were received and 1,371 reconsiderations were closed. Of the 1,371 reconsiderations that were closed:
- 1026 (i.e. 75%) of the files reviewed resulted in a claim decision by the Review Office
- 229 (i.e. 17%) of the files reviewed were sent back to Primary Adjudication
- 116 (i.e. 8%) of the files reviewed were closed for other reasons (e.g. appeal withdrawals, listed in error).

Of the decisions rendered by the RO, 749 (i.e. 73%) confirmed the primary adjudication decision and 277 (i.e. 27%) rescinded or varied the primary adjudication decision.

Further, 155 reconsiderations were referred to the Chief Appeals Commission (the "Appeals Commission"). The Appeals Commission confirmed 105 (i.e. 68%) of the decisions made by the RO and rescinded/varied 50 (i.e. 32%) of the decisions. During 2015, the RO achieved its service target to close 95% of reconsiderations not on hold within 60 days and 91% of reconsiderations on hold within 90 days.

2. Scope and Limitations

During the Planning Phase, we considered information obtained from the preliminary information received to define audit objectives and related questions. Audit objectives are normally expressed in terms of the conclusion the audit is expected to draw upon regarding the entity's performance of an activity. They are based on the question(s) that the audit seeks to answer about the performance of an activity or program.

Identify Audit Objectives

The following audit objectives were defined and agreed to:

1. Did WCB have processes in place to generate independent and supportable reconsideration decisions and effectively communicate results?
2. Did the RO register and provide appeal decisions in a timely manner?
3. Was the Emerge system reliable, secure and being utilized to improve performance of the RO and FAU?
4. Did WCB have structures and processes in place to maintain and monitor compliance with relevant Acts, regulations and policies applicable to the reconsideration process?
5. Did WCB have structures and processes in place to manage its volume of reconsiderations with due regard for cost?
6. Were performance measures aligned with objectives for the reconsideration process monitored and reported on a regular basis?

We provide the following description of the scope and limitations of the audit.

Scope of the Audit

The audit scope was defined in the WCB's Request for Proposal ("RFP") #072-WCB-15-082. The audit scope, as defined in the RFP and our proposal response, is to perform an independent review of the WCB RO's reconsideration process in the form of a cost, efficiency and effectiveness audit, including written reports summarizing our findings and recommendations.

The scope of the audit is on the process that commences when a request for reconsideration is submitted to the RO of the WCB and ends once the decision/outcome regarding the reconsideration request has been communicated in writing to the worker, employer and/or their designates. The audit encompassed the RO reconsideration process and the FAU providing information to the respective parties.

Our audit includes consideration of the organization of departments responsible for reconsideration, their capabilities and experiences, the end to end processes as defined, the technology or systems that are used to support the process, the policies and procedures that guide the function, compliance with federal and provincial regulations, considerations of interdependencies with other departments or organizations, and key internal controls that help maintain the integrity of operations.

We provide the following high level flowchart of the reconsideration process depicting in-scope and out-of-scope activities by area of responsibility.
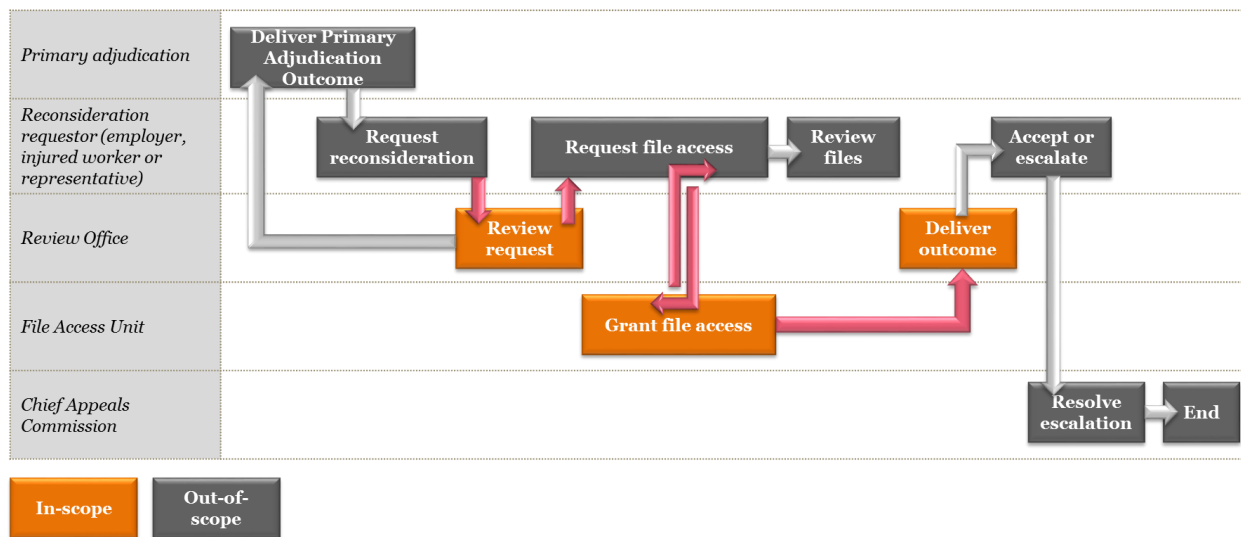
Based on our assessment of information received during the Planning Phase, we've identified the following re-adjudication processes to be in-scope:

- RO, Receipt of the claims decision appeal/reconsideration;
- RO, Review initial request for reconsideration;
- FAU, Grant file access to information;
- FAU, Review the objections raised by the injured workers;
- RO, Investigation of the reconsideration;
- RO, Decision on the reconsideration; and
- RO, Communication of the decision.

Out of scope matters were agreed with management as follows:

- Processes that occurred as part of the Primary Adjudication investigation and decision;
- Decision making process and considerations of the appellant (reconsideration requestor);
- FAU activities that are not directly related to the reconsideration process;
- Assessment Committee processes;
- Claims payment processes;
- Information technology processes, except Emerge;
- Third party processes, such as processes of the Appeals Commission; and
- Processes subsequent to the communication of the reconsideration decision.

The audit was conducted between May 2016 and July 2016. Samples were selected for testing from fiscal years 2013, 2014,2015 and the first quarter of 2016. The focus of the audit was on the more recent fiscal year. When performing trend analysis, we considered results over the three year period of 2013 to 2015, when possible. Our fieldwork was substantially completed by July 28, 2016. Review of the draft reports and feedback from management occurred subsequently, after summer break, including the presentation of additional information and research on observations from management that helped to further refine the findings and recommendations.

Limitations of the Audit

Cost, efficiency and effectiveness audits are subject to certain limitations. The following audit limitations were identified, discussed and agreed with management.

The decision on whether a specific reconsideration decision was correct is subject to professional judgement on behalf of individual Review Officers with years of experience and training in the industry. In this regard, we developed audit objectives and criteria around the structures and processes in place at WCB in support of claim reconsideration decisions, and did not evaluate whether reconsideration decisions were appropriate.

We have not audited the completeness and accuracy of the performance information created by WCB or its information systems. When possible, we have commented on numbers reported with underlying information. In certain situations, we have performed our own calculations with data provided to substantiate our findings or corroborate information discussed with management and staff.

In regards to an evaluation of WCB's due regard for cost, efficiency and effectiveness, we were limited to consideration of internal structures, processes and trends. We developed and issued a survey to the other WCBs within Canada. Our observations and reasonable inferences from the survey are included in our report. It may not be feasible to evaluate WCB against other organizations in regards to cost due to many factors. For example, organizational structures and responsibilities for reconsiderations may be different, costs may be accumulated and accounted in different ways, and there are provincial regulatory differences.

The information and evidence obtained in the Examination Phase are the basis of our observations, recommendations and comments regarding WCB performance against the audit objectives. We have provided value-added recommendations regarding the matters we report. Normally, recommendations will be in broad terms of what should be done, with the specifics of how it can be done left to management. In some instances, we were not able to provide recommendations within the context of this engagement. We have obtained management's views on the observations and recommendations and include their comments in our report.

Our audit observations comment on the satisfactory performance or disclose the level, nature and significance of deviations from criteria. The significance of the observations have been considered in relation to the audit objectives.

We will provide no opinion, attestation or other form of assurance with respect to our work or the information upon which our work is based. The procedures we performed under this Agreement do not constitute an examination or a review in accordance with generally accepted auditing standards or attestation standards.

3. Audit Approach and Nature of Testing

The audit approach and methodology was defined to include the following three phases: 1) Planning Phase, 2) Examination Phase and 3) Reporting Phase. We provide the following summarized information regarding activities performed during each phase of the audit.

Summary of the Planning Phase

During the Planning Phase, we reviewed certain documents and conducted interviews with senior management from both the RO and FAU. We acquired an understanding of the reconsideration process, developed a high-level process map including hand-offs among various stakeholders, defined the audit scope and limitations, identified audit objectives, potential issues and audit criteria, developed our audit strategy and approach and prepared a detailed plan of execution.

We provide the following summarized information of key activities performed:
- Prepared a document request listing;
- Developed interview list and interview guides;
- Reviewed relevant Acts and regulations;
- Conducted preliminary study of WCB, policy and process, performance reports and other documentation;
- Performed interviews with the following staff positions:
  - CFO Finance and Administrative Services; Director, Review Office; Director, Administration; Manager, Corporate Records; Supervisor, File Access and Administration; File Access Representative (two staff); Review Officers (six staff); Legal Counsel; IT Security Manager; Vice President, Human Resources and Strategy; Director, Human Resources; Supervisor, Application Development; Supervisor, Document Management; Manager; Network and Data center Services Manager; Service Desk Supervisor; Manager, Customer Service and Quality Assurance; Director, Policy and Research; Manager, Policy and Research; Director, Customer Service; HR Consultant ; and the Director Internal Audit;
- Prepared a process map of the reconsideration processes, including key activities of the RO and the FAU;
- Observed the reconsideration process by walking through the claim file process end-to-end with RO and FAU staff members;
- Received an orientation regarding the use of Emerge to facilitate our reconsideration review process;
- Defined audit objectives, potential issues by audit objective and audit criteria;
- Developed a sampling strategy to select an appropriate number of cases to meet the audit objectives;
- Developed audit strategy and approach; and
- Prepared detailed test procedures.

Information gathered during the Planning Phase was used to more precisely define the audit scope, identify audit objectives, potential issues and audit criteria and to develop our test plans.

The audit was designed to focus on the areas of potential issue, areas that were auditable and areas that could fit within budget and time constraints as agreed in the proposal process. As such, we designed the "Audit Strategy and Approach Report" to comprise audit objectives and audit criteria that would obtain breadth and depth over cost, efficiency and effectiveness of the reconsideration processes.

We have included a table of audit objectives, potential issues and audit criteria as Appendix A. Details from the above planning work were documented in our Audit Strategy and Approach Report that was agreed with WCB management in June 2016. Details regarding test procedures are documented in our Audit Plan of Execution.

A Summary of the Examination Phase

During the examination phase, we carried out the test procedures described in our Audit Plan for Execution Report. Our test procedures included, but were not limited to the following:

- Reviewed certain RO and FAU organizational and process documents;
- Read the WCA, FIPPA, PHIA, their regulations and WCB policies;
- Examined a sample of claim file decisions handled by RO, and related file access handled by FAU, to confirm timeliness, and ability to generate independent and supportable reconsideration decision;
- Examined a sample of claim decision letters in RO with regards to the Style Guide;
- Read peer review guidelines, and reviewed the overall process;
- Reviewed Director RO, Manager Corporate Records, Review Officer, Supervisor File Access and Administration's job descriptions as well as Performance and Development ("P&D") forms;
- Obtained and analysed RO and FAU data related to performance measures;
- Conducted interviews with Senior Management, Management and staff with responsibilities from RO, FAU, Records Management, QA, IA, Policy Research, IT, Emerge Applications support and others;
- Read the Succession plans for the leadership roles and other positions;
- Reviewed IA report (2005) and QA project reports issued in 2011 and later;
- Read the training material, logs and other available material specific to RO;
- Reviewed Emerge's capacity to support WCB's reconsideration process;
- Examined a sample job posting and the overall evaluation process in RO;
- Observed and performed testing on certain aspects of Emerge application systems such as availability and read certain IT policy and procedure documents such as backup, data recovery, and change management policies;
- Read and evaluated Disaster Recovery Plan/Business Resilience plans;
- Read and evaluated Help Desk services, and a service ticket process;
- Reviewed user access protocols for the additions, change and termination of users;
- Inspected financial budget to actual variance reports for RO;
- Read Code of Conduct and Ethics policy including conflict of interest guidelines, Privacy and confidentiality, and evaluated the awareness and overall adherence;
- Developed and presented survey questions to all WCBs in Canada;
- Reviewed the overall change management process related to changes to the Board policies and the effectiveness of its communication;
- Reviewed the overall collaboration link with Primary adjudication; and possible exchange of themes leading to overall improvement at WCB;
- Reviewed the overall collaboration link with The Appeals Commission; and possible exchange of themes leading to overall improvement in RO;
- Read the employee survey results for both RO and FAU in 2013 and 2015; and
- Documented the results of our test procedures in our detailed working papers and reported in Section 5- "Detailed Findings and Recommendations".

A Summary of the Reporting Phase

The information and evidence obtained during the Examination Phase formed the basis of our findings and recommendations. The findings were documented in the Schedule of Findings and Recommendations.

The draft Report of Findings report was provided to RO and FAU management on July 28, 2016. Management responses to recommendations were subsequently provided. This involved additional investigation and research by management to further analyze findings which were then reviewed in order to assist in refining recommendations.

The "Detailed Findings and Recommendations" referred to in Section 5 represents our reporting of work performed and our findings. This provides our conclusions by audit objective, identifies the audit criteria by objective,

identified deficiencies noted during testing, and includes our recommendations and management's response. This report does not provide an opinion, attestation or other form of assurance with respect to our work or the information upon which our work was based.

4. *Our Overall Conclusions*

Based on the audit criteria and audit tests performed, we present the following summary findings:

Audit Objective	Our Summary Findings
1. Did WCB have processes in place to generate independent and supportable reconsideration decisions and effectively communicate results?	**In our view, WCB has processes in place to generate independent and supportable reconsiderations and effectively communicate results, but there is an opportunity for further improvement.** • Review Officers do not follow a checklist of the things that must be in a file before providing a decision. We found that 1 of 6 WCBs surveyed confirmed use of formal checklists. • We noted opportunities for improvement during inter-departmental hand-offs between RO and FAU. • All the RO and FAU staff are experienced, and appear to be well acquainted with the applicable policies, procedures and guidelines. • There seems to be no formal training and developmental departmental work plan for both RO and FAU to identify any training needs. • RO's decision letters tend to follow the style guide, but some apparent differences are evident between various Review Officers. FAU currently does not have a mandated style guide for its external correspondence. During our review of sample claim files, we observed certain inconsistencies regarding timelines set out for the "Intent to participate letters".
2. Did the RO register and provide appeal decisions in a timely manner?	**In our view, RO registers and provides appeal decisions in a timely manner, but there is an opportunity for further improvement.** • RO has achieved the service target in 2015 to provide 95% of their decisions in 60 days, when the claim files were not put on hold; and 91% against a service target of 95% to provide the decisions within 90 days, when the claim files were put on hold. • It appears that caseload distribution was consistent amongst the Review Officers. • In our view, FAU should explore the opportunities for optimal utilization of Emerge functionality instead of duplicating some of their work through the use of an Excel spreadsheet. We confirmed that communication breakdown between both RO and FAU can sometimes lead to inefficiencies in the overall process. • We found that 2 of 6 WCBs surveyed confirmed RO and FAU were a part of one group, and the other 4 reported them to be separate.
3. Was the Emerge system reliable, secure and being utilized to improve performance of the RO and FAU?	**In our view, WCB had reliable Management Information Systems in place to support the Reconsideration Process, but there is an opportunity for further improvement.** • In our view, FAU should explore the opportunities for optimal utilization of Emerge functionality instead of duplicating some of their work through the use of an Excel spreadsheet. • User authorization and security protocols are in place. Policies and procedures over business resilience, change management, user access management, and help desk and service ticket processes exist.

	• WCB does not have a separate and current Disaster Recovery Plan (part of BRP) to support the Emerge system. The BRP focuses on the top 25 critical business functions based on business impact assessment, and reconsiderations process is not included amongst them. • No formal IT policies and procedures exist regarding data backup and recovery process for Emerge. • Based on a monthly target of 99% system availability from 7:55 to 17:05, we noted there were five (5) instances of operational downtimes from 2013 to 2016, exceeding the 1% threshold.
4. Did WCB have structures and processes in place to maintain and monitor compliance with relevant Acts, regulations and policies applicable to the reconsideration process?	**In our view, WCB has structures and processes in place to maintain and monitor compliance with relevant Acts, regulations and policies applicable to the reconsideration process, but there is an opportunity for further improvement.** • We noted an opportunity to improve the overall change management process applicable to the Board policies, and its communication to the impacted business units. • We confirmed through discussion that FAU has been diligent, and often detected instances of information on the wrong file. We noted an opportunity to document written procedures or guidelines to support compliance with Privacy regulations for authentication of the callers regarding requests over the phone for the release of the file. We heard that there are no written procedures or guidelines that outline the requirements to support Privacy during the setup of the master data or any further changes to this information.
5. Did WCB have structures and processes in place to manage its volume of reconsiderations with due regard for cost?	**In our view, WCB had reliable structures and processes in place to manage its volume of reconsiderations in place with due regard to cost, but there is an opportunity for further improvement.** • We observed that a file of all the decisions are shared with Directors of the Primary Adjudication; however, reasons for the varied or rescind decisions are currently not provided. • We heard that staff positions are relatively easy to fill. There are 2 staff members in RO who are above the age of 55 and currently have the option of early retirement with full pension. • We noted that a proper budgeting process is in place for RO, and monthly Actual to Budget variance reports are shared by Finance for necessary review.
6. Were performance measures aligned with objectives for the reconsideration process, monitored and reported on a regular basis?	**In our view, RO's performance measures aligned with objectives for the reconsideration process, subject to the following exceptions.** • We confirmed customer (Appellant and Appellee) satisfaction surveys have not been issued for RO; none of the 6 WCBs (surveyed) confirmed that they invited customer satisfaction surveys specific to the internal reconsideration process. • Staff and departmental level performance measures for RO and FAU are reasonable. There is an opportunity for improvement in these measures for FAU. Departmental performance for FAU should be linked to timelines for release of the file when there are objections and when there are not. • Currently there are defined quantitative performance measures for the FAU Supervisor, but specific quantitative performance metrics are not defined for the two staff members.

Our detailed findings and recommendations are presented in Section 5 of this report.

5. Detailed Findings and Recommendations

We provide the following findings, recommendations and management response by Audit Objective.

1. Did WCB have processes in place to generate independent and supportable reconsideration decisions and effectively communicate results?

Conclusion for Audit Objective

In our view, WCB has processes in place to generate independent and supportable reconsideration decisions and effectively communicate results. There are opportunities for improvement.

Statement of Findings

Based on the audit procedures described in the "Audit Plan of Execution", we provide the following statement of findings in support of the audit criteria:

- Decisions provided by various Review Officers are supportable, but may be different due to some subjectivity inherent in each request.
- Review Officers generally have a good understanding of conflict of interest and how to handle those files. No actual conflict of interest declarations were available. We heard, Review Officers chose to transfer the case to another Review Officer in case of a conflict.
- The Review Officers appear to be well versed with the Policy 20.10 and the Practices and Procedures manual and the overall reconsideration process.
- The Review Officers appear to be sufficiently experienced to perform their role.
- Review Officers do not follow a checklist of items that must be in the claim file before providing a decision.
- WCB RO has a peer review process in effect for all the decisions. FAU currently carries ad hoc peer reviews.
- WCB QA conducts reviews on a project basis. They have conducted two reviews in RO since 2011. There has never been a review of FAU.
- In our survey with 6 Review Officers, opportunity for efficiencies were identified during inter-departmental hand-offs, specifically between RO and FAU that could improve department effectiveness.
- There is currently no formal training and development departmental work plan for both RO and FAU to track and monitor the combined requisite knowledge and skill set, and to identify potential deficiencies to identify any training needs.
- Decision letters appear to follow the RO's style guide, but some differences are evident in terms of signatures or protocol of communication.

Our Findings

Based on the audit procedures, we provide the following findings and observations.

We observed policy 21.00 has been replaced with policy 20.10, but there was no documented change management trail on either of the two policies for such change. While all the Review Officers were aware of this change, such instances can potentially lead to non-compliance, and inconsistencies in the reviews conducted by the Review Officers.

We reviewed a sample of 30 claim files and our observations are as follows.

Receiving Performance Measures	What We Found
Were cases returned to the Primary adjudication/claim owner in a timely manner (within 2 days as per the standards set by Performance and Development system)?	We noted there were 4 instances of returns to Primary Adjudication/claim owner, and these were all returned on a timely basis.
Were all claim files uploaded into the Emerge System within 2 days of receiving?	We noted that all 30 claim files were uploaded into the Emerge System within 2 days of receiving the information.
Were written decisions from Primary Adjudication available before recording it into the Emerge System?	We noted 1 of 30 claim files did not have a written decision from the Primary Adjudication on file, before it was recorded in the Emerge System.
Acknowledgements	**What We Found**
Did "Intent to Participate letters" issued to appellee indicate 7 days' intended timeline for confirmation of participation?	We noted 12 of 30 "Intent to Participate letters" (prior to fall of 2014) had no specific timelines included on them. Later a standardized template with a 7 day timeline was implemented. In another 15 of 30 such letters, 7 days were indicated as a preferred timeline. One claim had a date to respond within 15 days, and in another 2 claims, such letters were not sent to the employer as the files were more than 5 years old, and the employer had no direct interest. Review Officers had different interpretations of the concept of direct interest (based on their professional judgement), as "direct interest" has not been defined in the policy.
Did RO indicate a 15 days' timeline to appellant to respond to the participating party's (appellee) submission as per policy 20.10?	We noted in 2 of 30 cases that the letters were inconsistent with the timelines as per policy 20.10, and included timings of 17 and 20 days respectively. As confirmed by Director RO, these timelines had been adjusted to incorporate the Easter holidays on the first claim and the Christmas holidays on the second.
Decision letters	**What We found**
Were all the decision letters signed by the Review Officers?	We noted 14 of 30 decision letters were not signed by the Review Officers. (Sign-off is not an express requirement as per RO, Practices and Procedures Manual.)
Were all the decision letters communicated in a standard way?	We noted in 12 of 30 cases separate letters were sent to the participating parties. In 15 of 30 claims, a carbon copy was sent to the participating party. In 1 claim file, we could not trace a decision letter that was sent to the participating party. As confirmed by Director RO, the worker and employer are the same party. He is self-employed and so there was no need to send a separate letter to the participating party. In the other 2 claims examined, we noted a letter was not sent to the participating party (employer) as both the cases were more than 5 years old.

Operational Performance Data

We confirmed that there are no defined performance metrics/key performance indicators to measure FAU's departmental or individual performance.

We noted that the total number of RO decisions upheld by the Appeals Commission for 2013, 2014 and 2015, were at 64%, 69% and 68% respectively. We also noted the total reconsiderations in queue (with RO) at the end of the year 2013, 2014 and 2015 were 187, 201 and 165 respectively.

We noted that the total % of objections (handled by FAU) upheld by the Appeals Commission for 2013, 2014, and 2015 were 86%, 100% and 71% respectively. **See Appendix D - "Quantitative Exhibits"**

Our survey results with other 6 other WCBs indicate:

- 1 out of 6 organizations indicated use of a formal checklist.
- WCB Alberta indicated usage of an internal reconsideration document to ensure that all Resolution Specialists are trained/coached on to develop consistency amongst the team.
- Workplace Newfoundland and Labrador ("WorkplaceNL") confirmed, "The Internal Review Specialist does not follow a checklist and have authorities to consult, as required, to ensure decisions of WorkplaceNL adhere to its policies and legislation. The Internal Review Specialists as a team have reviewed various issue types and developed standardized paragraphs (clear language) with respect to the policy and legislation which they use. They have also developed guidelines for approaching more complex issues to ensure consistency in decision making. From an audit and oversight perspective, a trend analysis is conducted of both internal and external review of decisions to determine areas of inconsistency and potential training which will assist in strengthening decision making.
  New Internal Review Specialists receive training and mentoring with respect to various issue types. Their decisions are reviewed by peer and supervisor during their first year to ensure exposure and consistency in application of policy and legislation."
- WCB Yukon indicated, "Hearing officers follow the Rules of Procedure (currently under review for updating. All review officers have obtained a Certificate in Administrative Justice from the Foundation for Administrative Justice (FAO)."
- WCB Nova Scotia indicated, "Weekly meetings amongst Hearing officers and Manager are held where issues are discussed to ensure consistency. Hearing Officers are required to attend internal training. We do not have a checklist; however, we have a detailed appeal process that sets out the steps in the review of an appeal decision."
- WCB Prince Edward Island ("WCB PEI") indicated, "We are guided by our Act and Board Policies. We have templates for all our correspondence, including our decision letter". Usage of formal checklist was also confirmed.
- Workplace Safety and Insurance Board ("WSIB") confirmed, "The Appeals Services Division has a Practice and Procedures document that the Appeals Resolution Officers are required to follow and adhere to when resolving appeals. The decision quality check list is used by the Appeals Manager when they are reviewing an Appeals Resolution Officer decision and wish to give feedback to that staff member. One of the Manager's business objectives for 2016 is to review 2 decisions for each of their staff and give feedback. Our decision makers, the Appeals Resolution Officers, do not use any check lists when reviewing/rendering their decisions. They are required to follow the practice and procedures guidelines (posted on our web site for our clients), but no check lists."

See Appendix B - "Survey results"

Skills and Experience

During our review, we noted that Review Officers have requisite skills and experience in claims adjudication. We surveyed 5 Review Officers, and they all had experience exceeding five (5) years at the WCB as an Adjudicator or Case Manager before getting hired in RO. We also reviewed resumes of Director RO and Manager Corporate Records, and their experience and qualifications appear to be consistent with the requirements of the role.

Training of RO and FAU staff

There is currently no formal training and development departmental work plan for both RO and FAU to track and monitor the combined requisite knowledge and skill set, and to identify potential deficiencies on an on-going basis.

We have been informed that no training has been provided to the FAU staff in the last 3 years, and Legal Services keeps them informed on any changes to the policies. Director RO, confirmed that all the employees of RO have been trained on writing clear decision letters, including the 2 new hires in 2015.

We observed there are no signed attendance records available, for either RO or FAU to view the listing of trainees. Training log maintained for RO was not a complete listing of the trainings attended by the RO staff. We also heard, all the RO staff were provided training on Post Traumatic Stress Disorder'. In our interviews, we heard some Review Officers were also trained on Permanent and Partial Impairment, Individual living allowance and Daily living and Vocational rehabilitation. These trainings were not recorded on the RO training log.

We heard new hires in RO received on the job training by Director RO and other staff. Director RO, confirmed that he reviewed all the decision letters for the 2 new hires in 2015, through their entire probation period.

We were informed opportunity exists for RO staff to join the training organized for Primary adjudication, and Compensation services.

Quality Assurance

We read WCB Policy 20.00 and it states "WCB will undertake both quality assurance and quality control activities to ensure that the organization continues to fulfil its commitment to quality and to support and assist the organization's efforts to meet its quality objectives. Quality Assurance and quality control results will be reported to the Board of Directors.

Quality Assurance is the systematic monitoring and evaluation of a process, procedure or program to ensure quality requirements are being met. Quality Assurance is primarily concerned with proactively preventing problems from arising in the future and with continuously improving the system. Quality Assurance at the WCB is independent of the area responsible for the process being reviewed and is based on the quality principles, objectives, dimensions and criteria established for the process, procedure or program being measured. Quality Assurance methodology includes a defined quality improvement cycle to ensure that activities add value to the organization and lead to continuous improvement."

We heard, QA provides project based reviews. There have been no contemporary reviews conducted in FAU. They have conducted two projects in RO since 2011:

- QA included the following key recommendations as a part of its report dated, October 6th 2011 on WCB Appeal Process-Timeliness of Reconsiderations:
  - The WCB should establish clear criteria for RO to meet before deciding to refer a claim back to Primary Adjudication. This will include consideration of whether the reason for the referral (whether a request for additional investigation, or the existence of new information) should result in a changes decision. The guidelines should clearly define what claim information is to be considered new, and relevant, and when an issue should be handled by primary instead of the Review Office itself.
  - The WCB should also set expectations for more timely service to be provided to injured workers and other stakeholders involved in their claims. All workers and representatives should be advised of when they can

expect to receive further communication on an issue, and when it may be resolved. If there are delays, the WCB should communicate with the worker and his or her advisor and inform them about the reasons for the delay, and when the resolution can be expected.

- o Training will be required for staff in those areas affected by these recommendations, including content around service standards, process and follow-up
- o The WCB should offer to meet worker representatives on a quarterly basis to review issues of mutual concern. This could be piloted with one of the union representatives. WCB will offer a regular contact person to escalate or expedite issues of concern.

In our discussion with RO, we were informed that these recommendations have been implemented. Further discussions with QA confirmed that they don't track their recommendations to closure.

- • WCB's QA group published a discussion paper on Quality Standards for written communication in RO. While the overall findings reflect a 96% quality level, analysis of the data suggests further improvement can be made within the factors evaluated as below:
  "Continuous review to ensure correct spelling, grammar, punctuation and spacing is recommended as it assists in ensuring correspondence generated from the Review Office is professional in content and appearance. To this end, Quality Assurance recommends that ongoing written communication training occur concurrent with ongoing peer reviews. Although respecting that draft decisions letters are currently being reviewed by peers and one-on-one mentoring is occurring, it is recommended, to enhance this process, that the Review Office be provided with formal training in how to conduct peer reviews. Finally, it is recommended that consideration could be given to providing the Review office with access to a technical writer and or developing a process to ensure all letters are reviewed against standards before mailing to customers."

In our discussion with RO, we were informed that all the RO staff have been trained on decision letters. Management has implemented a tip sheet to enhance the peer review process.

Peer Reviews and Departmental Quality Reviews
We confirmed peer views are conducted for all the decisions provided in RO.

We read the RO, Peer Review Guidelines and it states:
"Peer review is an essential quality check for all Review Office decisions. The review officer making the decision retains responsibility for the actual decision making and overall content of the decision. Peer review involves more than looking for the spelling errors, missed punctuation or simple grammar errors. All Review Officers are to keep in mind the established Quality Standards and Detailed Writing Style Guide when writing and reviewing decisions."

We confirmed Review Officers are not expected to keep the documentation of the peer reviews, but they have to incorporate their initials in the Excel control sheet. It was also observed, that there was no documentation trail of approval of these guidelines.

We confirmed that FAU also undergoes ad hoc peer reviews, but it is not a formal requirement and hence no guidelines have been documented.

The Director RO confirmed that he conducts detailed file reviews and uses the results for performance appraisals of Review Officers. However, the RO Director is not mandated to retain the documentation for the work performed and as such the Director is responsible to ensure he completes these reviews.

We heard the Review Officers don't feel the need for an independent review and approval process to be in place for all the decisions, as this would impede delivery.

Collaboration Link with Primary Adjudication

We observed sample claim files of returns to Primary Adjudication and our detailed results have been recorded above. Once the files are returned to Primary Adjudication, no further tracking is performed by RO.

We heard from 6 out of 10 Review Officers that Primary Adjudication do not agree to their recommendations, especially in the cases when it involves interaction with a more senior person in the Primary Adjudication. We could not find such a case in the sample files reviewed by us.

We also heard from individual Review Officers that there was no set protocol to meet Primary adjudication on induvial file reconsiderations and the need for meetings was based on judgement of the RO or primary decision maker. The Director RO, confirmed more formal meetings began in 2014 to discuss overall trends. Subsequent meetings are conducted on a more informal basis.

The Director RO shares the decision outcomes along with details of the claims with directors from Primary Adjudication on a quarterly basis. However, the data shared does not include the reasons for providing a varied or rescind decision.

File Completeness

6 out of 10 Review Officers confirmed that they ensure file completion on a judgemental basis and confirmed there was no formal checklist. In case of missing information they put the files on hold and record suitable category on Emerge such as awaiting submission, health investigation, claim investigation and others.

Ethics and Code of Conduct

Corporate Human Resources Policy and Procedures Manual on "Ethics and Code of Conduct" was implemented in September 21, 1999 and revised in May 21, 2015. This was authorized by President and CEO of WCB.

We verified record of Ethics and Code of Conduct Policy Acceptance for 2016, and it was observed that all the RO and FAU management and staff had completed it. We could not verify records of completion for 2015 or earlier as WCB does not retain this documentation beyond one year.

We confirmed that 100% sign offs were obtained in the past 2-3 years. We heard that none of the WCB employees can continue working on their computers without confirming overall adherence.   Corporate Human Resources Policy and Procedures Manual on "Ethics and Code of Conduct" includes the guidelines on avoidance of conflict of interest and reporting structures of potential violations.

We could not get evidence of actual declaration of conflict of interest during the years of our review. We heard that the Director RO performs an initial review of the total caseloads for the day to avoid any potential conflict of interest, before they are assigned to the individual Review Officers. We were also informed that Review Officers do not provide a decision on cases involving a potential conflict, and prefer to reassign the case to another review officer.

We heard that one review officer provided a decision on a case involving children of a friend, as this situation is not expressly identified as a conflict of interest.

There seems to be a general awareness amongst RO and FAU on the "Ethics and Code of Conduct". But none of the RO or FAU staff (except RO Director) confirmed to have participated in any training related to the subject.

WCB HR confirmed two recent sessions were held on the Ethics and Code of Conduct; the first one was held on March 2016 for Leadership (Managers and above), and another session was organized on May 2016 for Supervisors. We also heard that attendees of the session were expected to disseminate the learnings to their respective teams. Director RO confirmed to have attended the training on March 2016, while Manager Corporate Records was not able to attend due to other corporate priorities.

We also heard that a mandatory e-learning training module was launched on "Fraud Awareness" for all the WCB employees in April 2016.

Scope Expansions

We read the WCB policy 20.10 and it states, "When undertaking a request for reconsideration, the Review Office will notify the parties when the scope of the reconsideration is expanded beyond what was initially requested." It does not include the circumstances and the process to go through before going ahead with scope expansions.

We also read the RO, Practices and Procedures Manual and it states, "There are occasions where a Review Officer independently expands the issue beyond the appellant's request for reconsideration. This should be the exception rather than the norm. Approval to expand an issue must be reviewed and discussed with the Director, Review Office." It also includes the circumstances and the process to go through before going ahead with scope expansions.

We expanded our sample size of 30 claim files by an additional 3 samples to confirm overall adherence to the policy and procedures, during scope expansions. However, PwC was only able to obtain one sample of scope expansion from WCB RO, due to infrequency of such population. We observed a formal approval from the Director RO, was not recorded in the Emerge file which is a mandatory step as per RO, Practices and Procedures manual. However, there was a note of Director's involvement in correspondence with the employee.

Policy, Procedures, Process Flows and Templates

There seems to be a fair understanding of reconsideration process between various RO and FAU group and the overall roles and responsibilities.

We confirmed there are currently no process level flow charts, for both RO and FAU, with clear segregation of automated and manual activities and overall linkage between the two groups. This can act as guidance for any new hires and can also facilitate identification of process hand-off links which currently is not optimized. Specifically, we observed the following items which could further drive standardization:

- Template and letter standardization;
- Incorporation of firm dates instead of preferred timelines on external correspondence such as "Letter to Participate";
- Incorporation of clear headings on information entered in Emerge System;
- Creation of checklist for overall consistency of timelines/procedures;
- Consistency on style of decision letters and signatures (Electronic/Manual/unsigned); and
- FAU does not have a style guide that can act as a standard for communication with external stakeholders.

We noted that although most of the Style Guide requirements were being followed, consistent differences appeared with spacing within the document as well as not providing WCB's full name prior to use of an acronym. 6 of 15 cases utilized cautionary words, 4 of 15 cases did not use "Act" when referring to the WCA and in 4 of the 15 cases, spelling errors were noted within the decision letters. The FAU group did not feel the need for a style guide as they don't communicate with external stakeholders extensively like RO.

We also noted some instances of vague words used in policy 20.10:
- Primary decision maker in WCB Policy 20.10 (possibly can be replaced with initial decision maker or decision maker from Primary adjudication); and
- Meaningful reconsideration (possibly can be replaced with "fair and just").

We also noted instances where different policies had different interpretation of "days" :
- Policy 20.10 (RO) references to days (it is not clear whether it is business days or calendar days); and
- Policy 21.50.40 (FAU), references to business days.

Our Recommendations and Management responses

We provide the following recommendations and management responses:

PwC Recommendations	WCB Management Response
1.1 We recommend that WCB's policies should identify the audit trail of any policy replacements (Board policy 21.00 was replaced with 20.10). Practices and Procedures manual, RO style guide, and Peer review guidelines should have documented evidence of approval and version tracking.	This omission of an audit trail was an anomaly as typically information like this is mentioned in the history portion of the policy. The policy will be amended by placing a reference in the history portion of policy 20.10 to note the repealing of policy 21.00. The WCB has this process in place, thus no further action will be taken. The Director, RO makes, approves and communicates changes and manages version control for the Practices and Procedures manual, RO style guide, and Peer review guidelines as they are internal training resources.
1.2 We recommend that a formal training and development departmental work plan be put in place for RO and FAU in collaboration with Centralized group or Compensation Services to track and monitor the combined requisite knowledge and skill set, and to identify potential gaps on an on-going basis. For example: vocational rehabilitation, occupational disease, WCB policies and guidelines, effective peer review, consistent and clear decision letters and other pertinent information.	The RO and FAU staff require ongoing education as WCB policies change. Management will create a work plan to identify the required Centralized and Compensation Services training sessions and ensure RO and FAU attend these sessions.
1.3 We recommend that process maps be drafted for both RO and FAU with clear quality control checkpoints, depicting segregation of manual and automated activities. This may identify additional opportunities for efficiencies and effectiveness.	Process maps will be created for RO and FAU with clear quality control checkpoints, depicting segregation of manual and automated activities and hand-offs between the two departments.
1.4 We recommend that a mandatory peer review for the FAU be made applicable for all the external correspondence, such as handling of objections and file access.	The Manager, Corporate Records will conduct a peer review for all external correspondence relating to objections and file access.
1.5 We recommend that the RO should define a standard sample size for random quality checks performed by Director, RO. The FAU should define a standardized methodology and sample size for	The RO and FAU management have an established standardized methodology for random quality checks. The methodology will be documented and placed in the internal policy and procedures manual.

	random quality checks performed by Manager Corporate Records.	
1.6	We recommend that RO and FAU should consider collaborating with the Business Process Renewal group as a pilot project for overall consistency and standardization for scenarios such as: • Creation of checklist for overall consistency of timelines, procedures; • Adoption and interpretation of style guide leading to overall consistency of decision letters; and • Standardization of naming convention of files, documents and headings for information entered on Emerge system.	The RO and FAU have defined processes. The RO and FAU will create a process for ensuring consistency and standardization for these defined processes.
1.7	We recommend that the Ethics and Code of Conduct policy be amended to include the following as a real or perceived conflict of interest situation: • Adjudicating, managing and paying a claim of someone with whom there is a personal relationship. Conflict of interest declaration forms should be obtained from the Review Officer and retained with HR where the case was reallocated due to conflict of interest.	The recommendation regarding amending the policy for specific wording about when there is a personal relationship shall be placed on the "Ethics and Code of Conduct Policy parking lot" and will be considered when the policy is reviewed. The RO will ensure they consistently follow the corporate Ethics and Code of Conduct policy by filing conflict of interest declaration forms with HR where the case was reallocated due to conflict of interest.
1.8	We recommend that a suitable mapping of responsibilities, accountabilities, and consultation, and information protocols be done in RO, to handle cases from various levels in Primary Adjudication level. Example: Director of RO, can do a second level review of the claim, especially when the initial adjudication was performed by a Director from Primary adjudication).	The Director, RO will implement an internal protocol where the Director RO will perform a second level of review if primary adjudication was performed by a Manager, Director or VP level.
1.9	We recommend that WCB policies should be reviewed to work on synergies around definition of days (such as business days, calendar days) and replacement of ambiguous words.	The RO will develop an internal guideline to ensure consistency of definition of days for the RO policy 20.10. For WCB policies, in general, Policy and Research is aware of the issue and will ensure synergies around definition of days and replacement of ambiguous words will be examined as each policy comes up for review.

2. *Did the RO register and provide appeal decisions in a timely manner?*

Conclusion for Audit Objective

In our view, RO registers and provides appeal decisions in a timely manner. There are opportunities for improvement.

Statement of findings

Based on the audit procedures described in the "Audit plan of Execution", we provide the following statement of findings in support of the audit criteria:

- Director, RO distributes the caseload distribution evenly, with due consideration of factors such as the complexity of the case, volumes, previous involvement and also potential conflicting situations.
- The allocation of workload seems reasonably consistent among the Review Officers, and have consistently met the target of 3 average number of closures per review officer each week for 2013, 2014 and 2015.
- RO has achieved the service target in 2015 to provide 95% of their decisions in 60 days, when the claim files were not put on hold. This was much better than the levels achieved in 2013 and 2014.
- RO achieved 91% in 2015, against a service target of 95% to provide the decisions within 90 days when the claim files were put on hold. This was better than the levels achieved in 2013 and 2014.
- The RO achieved 5 average days to make a decision once ready for review' in 2015. This was much better as compared to 12 days in 2014 and 10 days in 2013.
- As per WCB Policy 21.50.40, there is a period of 10 business days to provide consent or written objections to release of information to the employer. There is no express turnaround time defined in the policy to release the file. FAU achieved a score of 13.8 days to release the file in 2015, as compared to 12.4 days in 2014 and 13 days in 2013.
- There are opportunities for efficiencies and effectiveness for various hand-offs of processes within RO and FAU through automation of some of the activities in Emerge, and optimal utilization.

Our Findings

We observed the primary reasons for the delay and extension of the reconsideration decision are as follows:
- Human errors on the task creation in the Emerge System for activities may lead to missed or delayed instances:
  - Between RO and FAU for reconsideration cancellations; and
  - Between FAU and RO, when FAU receives direct requests for release of files or tracks dates for handling of objections outside the Emerge System.
- Inadequate utilization of the Emerge system by FAU, and tracking some of their activities in Excel leads to duplication of work for them, and also creates inefficiencies in the hand offs and leads to communication barriers with the RO.
- "Reconsideration Finder" in the Emerge system is unable to facilitate an effective search for all the categories of historical claim records.
- Lack of consistency of standard timelines on "Intent to Participate letters" prior to fall of 2014. We noted that 12 of 30 samples did not have a timeline for the responses to be received. Later a standardized template with a 7 day timeline was implemented.
- Lack of consistency in communication of standard timelines to receive appellant's response to the participating party's submission. We noted in 2 claim files, appellant was communicated a longer timeline to respond compared to the standard of 15 days. (15 days from the date the RO mailed a copy of the participating party's submission to the appellant). As confirmed by Director RO, these timelines had been adjusted to incorporate the Easter holidays on the first claim and the Christmas holidays on the second.
- Presently there are no defined standard timelines to track various categories "on hold," except an overall standard of 90 days. 10 of 30 sample claim files were placed on hold (awaiting submission) for different amount of days.
- All claim files beyond the 60 day timelines must be "on hold" cases; however 4 sample claim files were not on hold and did not identify the reasons behind the delay.

- As per WCB Policy 21.50.40, there is a period of 10 business days to provide consent or written objections to release of information to the employer. There is no express turnaround time defined in the policy to release the file. FAU achieved a score of 13.8 days to release the file in 2015, as compared to 12.4 days in 2014 and 13 days in 2013. We confirmed from FAU team, that presently Emerge only facilitates tracking of group metrics and does not enable tracking of individual performance metrics such as average number of File Access requests handled per FAU staff and average time taken to release the file.
- The current template for Appendix A (request for review by the worker or their representative) and Appendix B (request for review by the employer or their representative), does not have a field for telephone number to be captured. The information of telephone number can lead to efficient follow-ups.

Timeliness of the reconsideration decisions
- Average days to make a decision (in RO) once ready for review was 5 in 2015, 12 in 2014, and 10 in 2013.
- Average days from date appeal received (in RO) to date placed on hold, was 14 in 2015, 15 in 2014 and 16 in 2013.
- FAU took an average of 13.8 business days to release the file in 2015; 12.4 in 2014 and 13 in 2013.
- % Reconsiderations closed by RO within target (not on hold-60 days), 95% (2015), 79% (2014) and 87% (2013).
- % Reconsiderations closed by RO within target (on hold-90 days), 91% (2015), 76% (2014) and 78% (2013) See Appendix D-"Quantitative Exhibits".

Appropriateness of timeliness performance measures

We report the following survey results:
- WorkplaceNL confirmed, ''WorkplaceNL's final decision on a request for internal review is provided within 45 days from the date the written request is received by WorkplaceNL. Our average turnaround time for internal review in 2015 was 45.4 days."
  "The file release area is part of the Internal Review Division and reports to the Manager of Internal Review. This business area processes all requests for file information for WorkplaceNL. Requests may be from workers, employers, dependents, authorized representatives, lawyers and other agencies. This area also processes all requests for file information related to a request for review. The interaction between the two business functions of internal review and file release is effective as they work closely to ensure file requests related to a request for review is processed within 7-10 days. Once a request for file information is received and the appeal has been registered the file is printed and assigned by the IR Clerk to an Internal Review Specialist to conduct a relevancy check. Information which should be included in the file disclosure is identified. The file release staff will then take the appropriate steps to prepare the file disclosure package for mail out to the requestor. Where an employer is receiving file information from a claimant's file for the purpose of an appeal, a duplicate copy of the file information is forwarded to the claimant. Having the file release area in the same department and working in close proximity to the internal review staff creates efficiencies in the process whereby they receive the requests in a timely manner and can seek clarification from the internal review specialist as required to ensure timely file release."
- WCB Yukon confirmed they take approximate 2 months for making reconsideration decisions from the time it is received and the final decision is relayed. "All file requests are handled solely by the Records Department. In general, the process works very smoothly with most file requests issued within ten business days."
- WSIB confirmed, "Approximately 85-87% of our appeals are resolved in 6 months or less. It should be noted that at least 8-12 weeks are required to provide file access to the parties and to receive the necessary forms from them to initiate the appeal. Approximately 17% of our total annual appeals are resolved by an oral hearing. Oral hearings are generally scheduled within 90 days of a determination that an oral hearing is required; this timeline can be extended to 120 days if the parties are not available for an oral hearing within the required 90 days. Oral hearings add to the average time to resolve an appeal."
- WCB PEI confirmed, "Average turnaround time for making reconsideration requests in 2013, 2014 and 2015 was 80 days, 59 days and 66 days respectively." File release is managed by Workplace Services. The Reconsideration Office is not involved in the file release process. The Reconsideration Office verbally advises the worker/employer about the file release process, and sends out the file release form to the worker/employer if requested.

- WCB Nova Scotia confirmed, "Average turnaround time for making reconsideration requests is currently at 82 days, but it fluctuates from month to month. Workers are entitled to full access to their claim file upon request. Employers are entitled to access to relevant portions of a claim file with respect to an appealable decision or once an appeal has been filed. This work is carried out by the Internal Appeals Department."
- WCB Alberta confirmed, "Average turnaround time for making reconsideration requests in 2013, 2014 and 2015 are 21 days, 22 days and 20 days respectively." "Our Access to Information department handles all requests for file copies. There is minimal interaction between our departments on these requests because appellants generally request a copy of their file prior to submitting in their reconsideration." **See Appendix B - "Survey results"**

Distribution of Caseload

We heard that the Director Review Office distributes the caseload distribution with due consideration of factors such as the complexity of the case, volumes, previous involvement and also potential conflicting situations. This appears to be an effective and efficient way to handle the workload amongst the Review Officers.

We also confirmed that all the Review Officers are assessed on the annual "Performance and Development system for efficient management of caseloads and there is a peer-to-peer comparison of total reconsiderations assigned during a certain period and are further assessed on the following quadrants such as:
- Average time taken by a RO to provide a decision, when a reconsideration is taken off hold in regards to the departmental average.
- % reconsiderations handled by a RO (not on hold), mailed within 60 days in regards to the departmental average.
- % reconsiderations handled by a RO (coming off hold), mailed within 90 days in regards to the departmental average.

Hand-off of information

The most significant hand-offs that occur between the RO, FAU and Primary Adjudication are:
- Referral of case from RO to Primary adjudication
- Request to release the file (RO and FAU can both get the request, but release of file is handled by the FAU

We heard that recommendations made by the Review Officers may not always be accepted by the Primary Adjudication, especially when a more senior person (from Primary Adjudication) was involved.

Another common observed issue was communication breakdown between RO and FAU in regard to the tasks handled by them. During our interviews with the staff of the RO group, we heard that inadequate utilization of the Emerge system by FAU leads to duplication of work for them, creates inefficiencies in the hand-offs, and leads to communication barriers. The FAU group believes that Emerge is being used effectively along with the manual Excel spreadsheet. However, as per our conversation with the Emerge Application team "Emerge is a work management tool that if used correctly should eliminate the need to use Excel spreadsheets".

Our Recommendations and Management responses

We provide the following recommendations and management responses:

PwC Recommendations	WCB Management Response
2.1 We recommend that FAU should explore opportunities for optimal utilization of Emerge functionality instead of duplicating some of their work through the use of an excel spreadsheet.	FAU will revise their processes to utilize EMERGE functionality as a work management tool and to collect the data required to track performance.
2.2 We recommend that WCB should evaluate the RO and FAU's structural relationship options that brings the maximum efficiency and effectiveness to their operations. (2 of 6 WCBs surveyed, FAU and RO are merged and for other 4 they are separate).	The WCB will take the recommendation to review the RO/FAU structure under advisement and review the value of the alternative structure in light of recommendation 1.3 (create process maps for RO and FAU) and the two jurisdictions that currently run separate RO and FAU functions.

2.3 We recommend that RO and FAU should collaborate with the Emerge application development team to prioritize tasks such as:
• Trigger of auto task creation from RO to FAU for reconsideration cancellations
• Trigger of auto task creation from FAU to RO
  i. When FAU receives direct requests for file release
  ii. At key milestones through the entire life cycle while the objections are handled by FAU
• Upgrades to reconsideration finder to facilitate an effective search of historical claim records
 	
• Upgrades to FAU access to facilitate tracking of individual metrics such as "average file claims handled by each FAU staff"
	RO and FAU will work with IT and Business Intelligence to achieve:
	• Trigger of auto task creation from RO to FAU for reconsideration cancellations
	• Trigger of auto task creation from FAU to RO
	  i. When FAU receives direct requests for file release
	  ii. At key milestones through the entire life cycle while the objections are handled by FAU
	• Upgrades to reconsideration finder to facilitate an effective search of historical claim records
	
	• Upgrades to FAU access to facilitate tracking of individual metrics such as "average file claims handled by each FAU staff"

3. Was the Emerge information system reliable and being utilized to improve performance of the RO and FAU?

Conclusion for Audit Objective

In our view, the Emerge system is reliable, secure and being utilized to improve the performance of the RO and FAU. There are opportunities for improvement.

Statement of findings
Based on the audit procedures described in the "Audit Plan of Execution" report, we provide the following statement of findings in support of the audit criteria:
- Systems availability met the performance target of 99% availability during the business hours.
- Disaster recovery plans are in place
- Back-up procedures appear to be followed and monitored.
- Change management procedures are in place for changes to the applications and interfaces.
- Help Desk Services and a service ticket process are in place.
- User access protocols are in place.

Our Findings

IT System Availability
We confirmed that the target for system availability is 99% from 7:55 to 17:05 evaluated on a monthly basis. We confirmed that several other WCB's expect the same level of system availability.

Based on the downtimes/month threshold of 110 minutes, we noted that five (5) monthly downtime instances from 2013 to 2016 exceeded the 1% threshold:
- March 2013 (201 mins.)
- January 2014 (418 mins.)
- February 2014 (555 mins.)
- June 2014 (259 mins.)
- April 2016 (227 mins.)

There are no noted trends over the past three years. However, three instances of significant downtimes were noted for the year 2014. Most of the downtimes were attributed due to minor network, database, or storage/server issues. There are minor system performance degradations every now and then but, during most of the downtimes, Emerge would still be semi-functional for business users.

Per confirmation with IT management, there is no significant impact of the downtimes for the Reconsiderations process. The impact of the system downtimes is more on the check processing.

During our work, we observed that WCB records every outage and evaluates them on a categorical level as either a High, Medium or Low priority level. We noted that all incidents of downtime are logged through the WCB IT Service Desk.

Disaster Recovery and Business Continuity Plan
We inspected the BRP and noted that the plan included a comprehensive strategy related to incident response, disaster recovery, and business continuity.

The BRP documentation shows an effective date of January 1, 2016. While the documentation provides a section on updating the BRP, no specific detail is provided regarding the frequency of the update and who are the stakeholders

reviewing the BRP for update. However, per confirmation with management, the documentation is updated annually (usually around the first quarter of each fiscal year), while the updates for BRP stakeholders are included on a quarterly basis.

While the BRP is deemed to cover both business continuity and disaster recovery, the plan does not specify the IT systems currently in use by WCB but, rather, uses the term "IT system" to refer to all current IT systems in use within the organization.

Further, the reconsiderations process is not part of the business functions/processes deemed as a priority in the BRP. Per discussions with management, the organization views the reconsiderations process as a business function that is not significantly critical and does not have a potentially material business risk to be addressed in the event of an incident. The Review Office (RO) is deemed as a pool of potential candidates for filling other roles in the incident response and strategy.

Although all the business units are deemed to be considered in the BRP, only the top 25 business functions/processes, in order of priority, are considered as core business functions within the organization that require more detailed and explicit incident response and strategy within the BRP. The organization performs a business impact assessment to determine the most critical business functions/processes.

While the BRP is deemed to cover both business continuity and disaster recovery, the plan appears to be documented to reflect more on the organization response and strategy over business continuity rather than disaster recovery. WCB does not have a current DRP in place. We noted that there is DRP documentation, but it requires a comprehensive revision and update. IT has already included the need to update the DRP in its list of its priorities.

A tabletop exercise for each of the critical business functions is conducted with the respective stakeholders to test the appropriateness and effectiveness of the BRP.

Back-up Policies and Procedures

Per confirmation with IT management, there are no formal IT policies and procedures regarding server backups for Emerge. However, WCB is in the process of reviewing at their data protection strategy and understanding how the system data are protected to develop a formal data protection strategy documentation that will encompass the data backup and recovery/restore process.

WCB also has documentation related to the architecture, configuration, and system details of TSM and HTI, the systems WCB utilizes for the data backup and recovery/restore process. Processes surrounding the data backups for these two systems are included in the documentation.

All backups of Emerge over the past three fiscal years were performed according to the system documentations for both TSM and HTI. In the event of any failure in the backup process occur, an email alert is sent out to the appropriate IT personnel, and the issue is investigated and resolved in a timely manner. Backup schedule and results are also monitored every day for any error or deviation.

There are no formal periodic data recovery/restores performed. Only ad hoc requests are performed, normally for taking production snapshots and restoring production data for testing in the development and staging environments. This kind of requests occur very seldom and only less than a dozen has been requested in the last three fiscal years.

Change Management Policies and Procedures

We inspected the change management policies and procedures documentation and noted that appropriate change management controls are included in the procedures related to request, testing, approval, and review to address the risk of unauthorized or untested changes within the Emerge system environment.

Based on discussions with IT management, there were not many significant changes implemented to Emerge that would impact RO or File Access Unit FAU during the past three fiscal years.

Only minor changes were done such as a few bug fixes and "cosmetic" changes in the correspondence templates (e.g. change in wording, addition of columns, etc.). There were less than a dozen of these minor changes that were done for the fiscal period covered.

Two major changes that happened for 2016 are the following:
- Moving the healthcare database from an external database to the Emerge system; and
- Implementing a unified account number system for contractors and healthcare providers.

A system release (version 5.0.1) has been done in June 2016 to fix up some of the bugs. Two future system releases are also planned for additional bug fixes and functionality improvements:
- 5.1 version to be released in July 2016 and will cover changes related to the rate model, a few system enhancements, and bug fixes; and
- 5.2 version to be released in September 2016 and will cover bug fixes and functionality improvements related to the eHealth project (i.e. electronic billing for external care healthcare providers).

The IT change management policies and procedures were followed for the above program changes implemented. All the change requests were routed through a review and approval by the change committee, and appropriate change testing before being implemented into production.

Help Desk Service Process
We observed that a WCB IT Help Desk service, exists and is available during business hours from 7:00 to 22:00. We confirmed that this service is available during business hours throughout the year.

We inspected the documentations related to the help desk processes and noted that appropriate IT policies and procedures exist to properly manage the IT problems and incidents reported. WCB uses Service Desk by CA as its problem ticket system. Plans to upgrade the ticketing system is in the pipeline and is expected to be implemented within the year.

We did not hear of many issues encountered in regards to Emerge. However, in a few instances, business users have reported on system downtimes that prevent them from using the system.

Some of the most common issues reported to Service Desk related to Emerge are the following:
- Document stuck in Edit mode
- Task Engine failure
- Emerge breaking the local profile
- Emerge add-in getting disabled

WCB IT Help Desk addresses these issues, according to its policies and procedures over IT problem and incident management. A ticket is created in Service Desk (i.e. the ticketing system), the help desk personnel assigns the appropriate IT personnel to resolve the issue, and an incident priority is determined based on the nature of the issue reported. We heard that currently helpdesk personnel have the basic knowledge to support Emerge. As per our discussion with the Helpdesk Manager, additional training over Emerge will enhance the skillset of the helpdesk personnel, and will enable them to provide more robust support over application issues and errors reported by business users (includes RO and FAU users).

User IDs and Passwords Restrict Access to Emerge
We inspected the IT Operating Policy and Procedures Manual documentation for the User Administration and noted that controls over user access granting, update/change, and removal were appropriately documented.

System functions and access rights are assigned by role and different roles are able to execute different functions. We inspected the list of Emerge users from RO and FAU and noted the following user profiles/user groups granted to each user:

- Emerge – File Access
- Emerge – Review Officer
- Emerge – Review Office Administrative

The Emerge – File Access profile is used by employees from FAU, the Emerge – Review Officer profile is used by employees from RO, while the Emerge – Review Office Administrative profile is used by the RO Director and his admin assistants. No issues on segregation functions were noted. Appropriate access rights were granted to each user according to their job functions.

Privileged access to Emerge is restricted only to those who can change privileges within the system. Only the Service Desk staff can change privileges; as such, privileged access is restricted to the Service Desk staff only.

We inspected the Corporate HR Policy and Procedures Manual documentation related to Passwords and noted the following password rules followed:

- At least 7 characters long
- Contain characters from three (3) of the following four (4) categories:
    - Uppercase
    - Lowercase
    - Digits
    - Non-alphanumeric
- Expires every 90 days
- Lockout after three (3) invalid login attempts
- Last five (5) passwords not re-used

Password values set in Emerge align to the company password policy above except for the non-reuse of passwords. Emerge restricts reuse of four passwords only; password policy requires non-reuse of five passwords.

A formal process is in place for granting and removing employee access rights. However, testing of these user access processes were not performed as no RO and FAU users were granted or deactivated access within the audit period covered.

In granting user access, each employee is assigned a unique user ID and is reminded to follow the company password policy in creating their own passwords.

Remote Access of Emerge
We heard that besides the training on the remote access to all the staff of RO, all of them also signed off the remote access agreements. The remote access agreements contains all the reasonable do's and don'ts for accessing a remote access both through a WCB and non WCB supplied device. In a sample of 5 RO employees, one sample remote access agreement was not available on file.

Our Recommendations and Management responses
We provide the following recommendations and management responses:

PwC Recommendations	WCB Management Response
3.1 We recommend that WCB consider developing a consolidated documentation listing all the current IT policies and procedures over program change management (including Emerge) based on the following control check points:	IT will develop consolidated documentation for program change management.

• Change initiation and request • Review and approval of change request • Change development • Change testing • Approval of tested change for migration to production • Review and monitoring of implemented changes	
3.2 We recommend that WCB consider developing formal IT policies and procedures documentation regarding data backup and recovery process for Emerge based on the following relevant information: • Backup systems being used • Procedures over the data backup process and steps undertaken in the event of backup failures • Nature and details of data backed up • Backup schedules, frequency, and types (i.e. full, incremental, differential, etc.) • Where to back up data (e.g. physical tape, virtual, cloud) • Monitoring performed over the backup process • Personnel responsible for managing the backup process, including their responsibilities related to the IT process • Personnel who can access the data backups • Retention period and disposal of the data backups • Procedures over data recovery/restore process • Frequency of data recovery/restore performed	IT will develop IT policies and procedures regarding data backup and recovery.
3.3 We recommend that WCB update its DRP documentation to reflect the current process and overall strategy in place, especially regarding testing the DRP periodically. A process should be developed to update the DRP periodically (preferably, at least annually) and when certain changes over the DRP stakeholders, process, or technology occur.	IT will update disaster recovery plan documentation. IT will develop a process to update the disaster recovery plan periodically.
3.4 We recommend that WCB consider broadening the scope of its BRP to include other business functions or, at the very least, ensure that the BRP strategy covers general incident procedures for all other business functions within the organization.	The WCB will review the BRP with respect to what to include regarding "non-critical" business processes.
3.5 Although strong password controls exist within the Emerge system, we recommend that WCB consider updating the following Emerge password parameter to align with WCB's password policy: • Currently, Emerge restricts reuse of four (4) previous passwords. Per company password policy, non-reuse of passwords should be at five (5).	IT will enhance Emerge to align Emerge non-reuse of passwords with the corporate protocol (i.e. Five).

4. Did WCB have structures and processes in place to maintain and monitor compliance with relevant Acts, regulations and policies applicable to the reconsideration process?

Conclusion for Audit Objective

In our view, WCB has structures and processes in place to maintain and monitor compliance with relevant Acts, regulations and policies applicable to the reconsideration process. There are opportunities for improvement.

Statement of findings

Based on the audit procedures described in the "Audit Plan of Execution" report, we provide the following statement of findings in support of the audit criteria:

- All staff at WCB are required, at the beginning of the year, to read, and confirm online to their awareness of relevant acts, regulations and WCB policies.
- All the staff are experienced, and have been working for a number of years, and are generally well abreast of the requirements.
- General survey indicated that RO employees are not consulted during any changes to the policies impacting them.
- There are opportunities to improve communication of changes to the policies.
- FAU is efficient to detect the instances of information on the incorrect file prior to a file copy being sent.
- Reconsideration decisions are handled consistent with the WCA.
- WCB does not have a mechanism to track privacy breaches at the corporate level.
- Presently no trainings are given on the privacy and confidentiality to the new hires as a part of the overall induction process.

Our Findings

Internal WCB Policies

During our interviews, we noted that both RO and FAU employees appear to understand relevant policies and procedure documents.

We confirmed the below mentioned process is required to make the changes to any Board policies:
- An internal or external stakeholder requests that WCB review a policy, or that new policy be developed. Few requests are received from the front-line staff. Most requests arise from the project work at the WCB, or are communicated to the Policy Research group through the key executives. Policy and Research can also proactively review the manual, and identify policies that should be reviewed.
- Manager, Policy research assigns an analyst to complete a "Proposed Item for Consideration by Policy Steering Committee/Board of Directors" - the official name for the policy intake Form. The analyst consults with the appropriate people internally and fills in the form. It is intended to identify the issue and it is usually 1-2 pages in length.
- The form must be approved by the area director (or directors if there is overlap), and then by the VP(s) responsible for the area (the "executive sponsor").
- The completed and approved form is then sent to the Policy Steering Committee. (The Policy Steering Committee is a sub-committee of the key executives that vets all policy work.). If the item generates much discussion, it can be brought forward at a meeting of the Policy Steering Committee. Otherwise, an e-mail notification suffices.
- At this point, the executive sponsor takes the completed and approved form to the President and CEO for his approval. If approved, the item is added to the Policy and Research work plan and the analyst begins work. If, in the doing of the work, understanding of the issue changes or the scope changes, a revised Policy Intake Form may be prepared.
- Once the policy work is completed, the agenda Item with revised or new policy appended is returned to the Policy Steering Committee for its final vetting. If approved, the Committee then recommends that it be

approved by the President and CEO. The sponsoring executive then provides the Policy Intake Form and the agenda Item and its attachments to the CEO for his approval. The item is then sent to the Policy, Planning, Service and Governance Sub-Committee (PPG&S) and then to the full Board of Directors. The Corporate Secretary's office handles mail outs to the Board and its committees.

- Policy and Research is informed of Board decisions through informal channels.
- Current process for communicating approved changes to policies, is through a general email to be sent by the responsible Vice-President to all staff summarizing the changes

We confirmed that policy 21.00 was replaced with a new policy 20.10 effective July 1, 2015; however, the policy intake form was not completed. We were informed that the policy intake form was formally launched in August 2015.

There was a general feedback from the RO employees that they are not consulted before changes are made to the policies relevant to their business area. We were informed that even the Policy Research group is not always aware of all the changes that finally get approved by the Board of Directors. We heard that presently there is no separate section on the corporate intranet where changes to the Board policies are uploaded.

We observed policy 20.10 requires a revision due to:
- It does not give much details on when the case can be referred back to Primary adjudication.

We observed the RO, Procedures and Practices Manual requires a revision due to:

- It refers to Policy 21.00, which has been replaced.
- Some of the evaluation measures included in the Review Officers evaluation form are not included in the manual such as:
  - Review Officers need to respond to requests for reconsideration within 2 days of identifying the action taken (list or return to claim owner);
  - Review Officers need to acknowledge request for file access within 2 days with a letter to employer/worker and if granted, send a task to file access; and
  - 95% compliance with the voicemail standards.

Job descriptions
RO and FAU staff job descriptions include the position's responsibilities for maintaining compliance; however, there is no express inclusion in the performance evaluation forms.

Privacy Breaches in FAU or RO
WCB's Legal Counsel and Access and Privacy Officer confirmed to PwC in the letter dated June 9, 2016:

"As I indicated in our conversation, while the File Access unit is the one that sends out the file copy, the onus is on the Adjudicator or Case Manager to review information scanned to file and to advise when information is on the wrong file. Generally the File Access department is very diligent and often catches the instances of information on the incorrect file prior to a file copy being sent. The two letters are the only examples from the last several years. As you will note, both of these instances occurred when information was provided by a Compensation Services staff member to the worker. The information was not provided by File Access."

QA Projects
WCB's QA group has executed 2 projects in RO since 2011.

In March 2014, the QA unit conducted a project to assess RO's decision letters and determine if they were written within the established departmental standards. They concluded decision letters contained appropriate legislative provisions in 94% (43/50) cases and partially in 12% (6/50) cases. Only one file, 2% (1/50) was found not to meet this quality standard.

The second project conducted by the QA group was regarding the timeliness of the WCB's appeal process.

IA Projects

We gathered the following facts during our discussion with WCB's IA department:

- Consistency of decisions, quality of the decision letters, privacy concerns and overall productivity were identified as the inherent risks in the reconsideration process.
- The WCB's IA Plan is linked to the top 10 corporate risks, categorized as strategic, reputation, financial, operational and regulatory.
- FAU has never been audited by IA and the last audit of the Review Office occurred in 2005. The functions in these areas are not included in the top 10 risks, and they continue to rely on project based reviews by WCB's QA group.
- There are no risk registers for RO and FAU, as Enterprise Risk Management (ERM) is mostly managed at the strategic level. ERM function has been cascaded down only to a few operational areas such as IT and Prevention (SAFE Work, Manitoba).
- WCB does not have immediate plans to cascade ERM to RO and FAU.
- IA does not have plans to conduct cyclical reviews for RO and FAU in future and would continue to rely on the work done by QA group and the Cost, Efficiency and Effectiveness audit which got completed.

Results of claim file reviews

- As per Section 6 (1c) of PHIA, "trustee needs to respond promptly within 30 days after receiving it in any other case, unless the request is transferred to another trustee under Section 8".
- As per section 11(1) of FIPPA, The head of a public body shall make every reasonable effort to respond to a request in writing within 30 days after receiving it unless (a) the time limit for responding is extended under section 15; or (b) the request has been transferred under Section 16 to another public body.
- PwC noted all 30 claim files were acknowledged within 30 days as per the mandate of the Section 6 (1c) of PHIA and 11 (1) of FIPPA.
- As per prescribed form 8 (2) of FIPPA, "a request must be in the prescribed form and must provide enough detail to enable an experienced officer or employee of the public body to identify the record". PwC noted in 2 of 7 cases, employer's access to the claim files were accepted through phones. Management is of the view, "accepting employer's access requests through the phone is not a violation of FIPPA, if relevant new information is received by the WCB and requested for release by the employer within 30 days of the injured workers' approval of file release. A step by step situation is that the employer requests the file. FAU gathers the information and sends it to the injured worker; the worker approves to the release of the file. If a new information (e.g. update on medical) arrives within 30 days of the injured worker's approval, the FAU may release this information based on a telephone call from the employer."
- As per Section 5 (1) of PHIA, "Subject to this Act, an individual has a right, on request, to examine and receive a copy of his or her personal health information maintained by a trustee". PwC noted in 1 case of injured worker's access, no request was on file.

Our Recommendations and Management responses

We provide the following recommendations and management responses:

PwC Recommendations	WCB Management Response
4.1 We recommend that the policy number 20.10 be reviewed in collaboration with the RO group. • Both RO and Assessment Committee are involved to undertake reconsideration of decisions on cost relief or cost transfer, while the policy generally identifies this work to be performed by Assessment Committee. The Policy should be updated to reflect that both RO and the Assessment Committee are involved in	Policy 20.10 specific to the reference to reconsiderations of cost relief and cost transfers and the Assessments Committee is correct. The RO also makes decisions on entitlement to cost relief. No action is required. The RO Practices and Procedures manual will be updated to include the specific quantitative metrics mentioned in the review officer's evaluation form.

	these decisions so that RO will also be accountable to this policy. • Policy also needs to be elaborated when the cases are referred back to Primary Adjudication. We recommend that the RO Practices and Procedures be updated, and reviewed for specific quantitative metrics mentioned in the review officer's evaluation form.	
4.2	We recommend that the QA group undertake a review of the RO and FAU to ensure compliance with defined process and policies.	The RO and FAU will collaborate with the QA group to schedule periodic targeted reviews.
4.3	We recommend that more rigor be placed on updates to WCB policies and procedures only through a duly approved policy intake form. (Policy number 20.10 replaced policy number 21.00, without a duly approved policy intake form) We also recommend maintaining a log of all WCB policy changes on your corporate portal for easy access and cross referencing by all impacted business units.	A policy intake form and process was implemented in the Policy and Research department. WCB protocol is to utilize the history section of the policy for easy access and cross referencing of policy changes.
4.4	We recommend that written procedures or guidelines to support compliance with Privacy regulations should be documented for authentication of the callers regarding requests over the phone for the release of the file. We also recommend that written procedures or guidelines be documented that outline the requirements to support Privacy during the setup of the master data or any further changes to this information.	The WCB will create written procedures or guidelines to support compliance with Privacy regulations with respect to authentication of callers when receiving information/requests over the phone.

5. *Did WCB have structures and processes in place to manage its volume of reconsiderations with due regard for cost?*

Conclusion for Audit Objective

In our view, WCB has structures and processes in place to manage its volume of reconsiderations with due regard for cost. There are opportunities for improvement.

Statement of findings
Based on the audit procedures described in the "Audit Plan of Execution" report, we provide the following statement of findings in support of the audit criteria:
- Budgets are prepared and approved on an annual basis and monitored for variance on a monthly basis.
- RO and FAU have an adequate level of staff to meet its functional performance measures as defined in the staff evaluation forms.
- Succession plans for the key positions (Managers and above) are drawn on a biennial frequency. However they are not updated for any subsequent updates.

RO and FAU are presently evenly staffed, but do not have further capacity to handle more volumes. One of the Review Officers has been on an unplanned leave for a long time and which would have some impact on the overall efficiency of the department.

Our Findings
WCB has a formalized budget, approval and monitoring process is in place. The budget includes analysis of all staff levels.

During our review, we observed that management maintains a year to date Actual to Budget variance report, which is shared by finance on a monthly basis. The most significant portion of the RO budget is towards salary costs. The overtime of $20k led to a significant variance in year 2013, and this has been significantly brought down to $436 in 2015. We did not observe any item on RO budget that was consistently over or under budget.

Succession Planning
We confirmed that none of the staff positions in the RO or FAU are difficult to fill. Succession plans for the roles of Manager and above are reviewed every 2 years. Last review was completed in 2015, and next one is due in 2017. In 2015, succession plans were drawn for the roles of Director, RO and Director, Administration. However, the role of Manager, Corporate Records was not considered, as she was a Supervisor at that point of time.

Director, Administration was categorized as a low risk in the succession plan for 2015, but he retired on June 30, 2016. The succession plans from 2015 were not updated for the changes that happened later.

RO and FAU should continue to proactively monitor and perform succession planning as the demographics within their groups continues to age.

We also read the "Workforce Analysis 2014" and noted the following:

"Review Office is an area that had previously been at significant risk due to retirements. The workforce in that area is fairly stable now. One Review Officer is eligible for retirement now, with two more eligible more over next three years. Over the last few years, the Review Office has made some changes to their approach in attracting new incumbents, and these efforts have been fairly successful, so it is not anticipated that up-coming retirements should pose significant challenges for replacement."

"File Access is another area of limited risk to the organization, with 2 of 4 Administrative Clerks and one of the two File Access Clerks over the age of 50. These roles are easy to fill, so it is not a risk area."

Staff Continuity
See Appendix D - "Quantitative Exhibits"

We have been advised that there has not been any significant attrition in RO and FAU. However, there are 2 staff members in RO who are above the age of 55, and can retire with full retirement benefits, and unreduced pension.

Primary Adjudication
Director, RO shares the listing for all the decisions with the Directors from Primary Adjudication on a quarterly basis. We heard more formal discussions happened in 2014 as compared to 2015.

The information shared with Primary Adjudication does not identify the reasons for the decisions, especially in the case of a varied or rescind cases.

Appeals Commission
We heard that the Director, RO gets monthly and quarterly information on the decisions that were upheld or rescinded, and that is further shared with all the Review Officers. The Director, RO reviews the rescind cases with the individual Review Officers if a trend is observed. Review Officers review their cases individually.

Our Recommendations and Management responses
We provide the following recommendations and management responses:

PwC Recommendations	WCB Management Response
5.1 We recommend that RO should identify the reasons behind the decisions in the data, shared with Primary Adjudication, especially the ones which are varied or rescinded. This would lead to better evaluation, and thematic review by the adjudicators and case managers from the Primary Adjudication.	The Director, RO will consult with Compensation Services leadership and update the quarterly Review Office statistical report to provide useful summary statistical information for varied/rescinded RO decisions, as determined by the consultation.

6. *Were performance measures aligned with objectives for the reconsideration process, monitored and reported on a regular basis?*

Conclusion for Audit Objective

In our view, performance measures aligned with objectives for the reconsideration process, monitored and reported on a regular basis. There are opportunities for improvement.

Statement of findings

- There was no customer (appellant and appellee) survey conducted for RO.
- The overall job satisfaction as per Employee Satisfaction Survey for RO is higher as compared to WCB average.
- Management has taken some steps to improve the Employee Satisfaction Surveys, but further opportunity exists to further improve the score.

Our Findings

Customer Satisfaction Survey Results

We confirmed Customer Satisfaction Surveys have not been issued for RO. We were informed that surveys were not planned as RO caters to a very small population and majority of the decisions by the Primary Adjudication are upheld.

Employee Satisfaction Survey results for RO and Administration (2015)

We read the 2015 employee satisfaction surveys for RO and FAU. The detailed results have not been published to maintain survey confidentiality. While management has taken some steps to address the feedback from the employee satisfaction survey, additional steps may be considered for overall improvement of the score.

Clearly Defined Roles, Responsibilities, Authority and Accountability

We observed that formal Job Descriptions existed for the following positions:

- Director, RO: This was approved on October 24, 2011. This role now reports into CFO Finance and Administrative Services, so the existing job description needs an amendment as it still depicts the reporting relation to VP, HR, Administrative, IT and Review Office;
- Manager Corporate Records: The JD was approved on November 1, 2013;
- Review Officer: The JD was approved on October 15, 2012;
- Supervisor, File Access and Administrative Services: The JD was approved on September 9, 2015; and
- File Access Representative: The JD was approved on December 10, 2014.

We observed that these JDs included a description of duties, responsibilities and qualifications for each respective position. JD's identify accountabilities as it identifies, 1st and 2nd level Supervisors and also the HR contact.

Staff Performance Evaluations-RO

As per WCB Policy 20.10, following are the goals of the RO:

- To provide workers and employers with a process that is accessible, timely, simple and flexible for requesting a review of decisions;
- To conduct an independent and impartial file review to reconsider prior decisions made at the primary level of adjudication and case management;
- To complete a comprehensive review of primary level adjudicative decisions in a manner that gathers and weighs all facts found relevant to the issue;
- To decide on issues reasonably and consistently by weighing the merits of each individual case on balance; and

- To communicate reconsideration decisions in a manner that is clear and concise in explaining the issues and reasons behind the decisions.

We reviewed the staff evaluation form for RO and found that it seemed focused on achieving the overall departmental goals, with distribution of key responsibility areas into
- Manage workload
- Provide formal RO decisions
- Maintain client service focus
- Teamwork

The performance was also linked to efficient caseload management, conducting efficient peer reviews, fair in the reconsideration of appeals, participation in team meetings and on the quality of the decision letters.

The appraisal is also linked to some quantitative performance indicators such as:
- Actual performance against departmental average of 95% reconsiderations (not on hold) mailed within 60 days.
- Actual performance against departmental average of 91% reconsiderations (comes of hold) mailed within 90 days.
- Ensure request for file access is acknowledged within 2 days with a letter to employer/worker and if granted, send a task to file access. If access is not granted, send appropriate correspondence.
- Review and respond to requests for reconsideration within 2 days identifying the action taken (list or return to claim owner) and articulating the entitlement issue.

Staff Performance Evaluations-FAU
We also read a blank evaluation form of Manager Corporate Records and it seemed focused on the following key quadrants:
- Manage and provide leadership and guidance to File Access, Document Management, and the Distribution and Print Centre (Objective 1) ;
- Manage and provide direction on all policies and programs related to delivering Corporate Records Services (Objective 2);
- Serve as a consultant to executives, managers, employees and third parties on Corporate Records, File Access, and Distribution and Print Management (Objective 3); and
- Ensure service focus of the File Access, Document Management and Distribution and Print teams (Objective 4).

Objective 4 is further distributed into the following:
- Provide service that is fast, easy, caring right and clear;
- Employees, leadership and the executive are kept informed about decisions/processes that impact them;
- Ensures WCB internal customers, external consultants and other stakeholders are kept updated on the issues that impact them or the consistency of service provided;
- Phone messages and Auto-Rules are in compliance with Corporate Guidelines 100% of the time;
- Ensures compliance with internal service level agreements between teams and operational areas.

As per WCB Policy#21.50.40 for FAU, effective July 1, 2000:
- "The worker will have 10 business days to provide consent or written objections to release of information to the employer. If the worker fails to reply within 10 business days, the Board may release relevant information. Reasonable effort will be made to contact the worker prior to such release."
- "The employer will have 10 business days to provide written objections to the WCB's decisions not to release of information to the employer. If the employer fails to reply within 10 business days, the WCB will withhold

the information. Reasonable effort will be made to contact the employer regarding the decision to withhold information."

We heard that the FAU group does not perform staff evaluations based on defined quantitative metrics for the FAU staff below the level of supervisor. We observed that currently, there is no defined target or timeline to release the file in the policy or procedures in case the file has objections.

Survey results indicate:

- WCB Prince Edward Island ("PEI") confirmed, appellant and appellee's satisfaction is not directly measured, but they look at the number of internal review decisions being appealed to the external appeal body (WCAT). Further, they also get the feedback through employer and worker satisfaction survey results. Staff satisfaction is measured through the surveys.
- WCB Alberta confirmed, appellant and appellee's feedback is measured through notice of appeals to the Appeals Commission, and also the outcome of these cases at the Appeals Commission level. Staff satisfaction is measured through a spring and fall survey and these measures are a part of overall performance management of the team. Staff evaluations are done twice a year.
- WCB Yukon confirmed, appellant and appellee's satisfaction is not measured, however the employee engagement survey is conducted every two years. Staff completes an annual Personal Performance Plan with individual goals at the start of every year. A midpoint review and an end of year review are performed by their direct supervisor.
- Workplace Newfoundland and Labrador ("NL") confirmed, "Although we do not specifically measure appellant satisfaction with service regarding internal reconsideration, we do conduct quarterly surveys which ask clients about their satisfaction with our services as it relates to such factors as; accessibility, clear written decisions, amount of information, and explained process. An Employee Engagement Survey is conducted annually by an external agency and the results shared with staff upon completion of the final report.
  For the file release area KPIs reported are outstanding file requests, adherence to the 30 day service delivery standard, and number of file requests related to appeals. A month end report is also produced which captures statistics for both internal review and external review (as reported by the Workplace Health, Safety and Compensation Review Division) regarding requests received, decisions finalized, and number/percentage of decision outcomes for upheld, overturned, referred back and canceled, average turnaround time and closing balance. For file release, opening and closing balances, number of file requests completed, number of file requests related to appeals and average turnaround time is reported.
  Staff performance is monitored on an ongoing basis by the IR Manager with respect to their work queues, maintaining the 45 day service delivery standard and the quality of decisions. Performance development reviews are also completed with each staff member annually."
- WCB Nova Scotia confirmed they do not measure employer/worker satisfaction. The departmental performance measure is to complete appeals within 90 days of receipt 95% of the time. Regarding staff performance measures, timeliness are measured from the date an appeal is decision ready to decision (30 days is the target) and there is an expectation of an average 15 decisions released per month per hearing officer. Performance management meetings are conducted in January, June and December.
- WSIB confirmed surveys for both its customers and its employers. The managers have quarterly one-on-one performance discussions with their staff and discuss individual cases or issues of concern on an as needed basis. They have yearly, formal performance reviews and staff are measured on set business objectives (timeliness, productivity, decision quality) and competencies (business acumen, drive for results, customer focus, dealing with change/ambiguity, and personal learning). The Appeals Services Division does not survey its clients about specific decisions, whether they are the initial decisions or reconsidered decisions. A general survey with workers and employers is carried out about service delivery, return to work efforts. However, there are no specific survey questions about the quality of appeals decisions/reconsiderations.

See Appendix B-"Survey results"

Our Recommendations and Management responses

We provide the following recommendations and management responses:

PwC Recommendations	WCB Management Response
6.1 We recommend that the RO should consider developing and implementing independent mechanisms to gather external customer feedback on a regular basis. Currently, there is no process to capture independent (outside WCB) feedback on RO's operations.	A quantitative RO survey is not possible due to the relatively small number of potential interviewees and the percentage of decisions upheld by the RO which would cause the survey results to be skewed. However, the WCB will explore the option of collecting qualitative feedback via an open-ended question(s) to customers at the time their claim is closed or shortly thereafter.
6.2 We recommend that specific quantitative metrics be defined for the FAU to measure the timing to release the file in the case of objections. A process should be developed to evaluate both FAU's departmental and staff performance on the basis of defined quantitative metrics such as target timelines to release the file when there were objections, number of file access requests per FAU staff. (Currently there is no usage of quantitative metrics to evaluate the performance of FAU staff, who have a reporting relationship with the Supervisor).	The FAU will develop a scorecard to evaluate FAU departmental and staff performance on the basis of defined quantitative metrics.

6.   *Next Steps and Closing Statements*

We suggest that management should decide on their views in regards to individual recommendations in our report. In particular, we suggest the following:

- Develop a model for prioritizing the recommendations giving consideration to impact and complexity of implementation. Given the number of recommendations provided, it will be important to prioritize their implementation and identify opportunities to group follow up actions into practical groupings. Consider prioritization of recommendations according to the impact they could have and complexity (e.g. length of time it would take to implement, as some may be "quicker" fixes versus others).
- Assigning staff leads and timelines for implementation – the implementation plan should be in enough detail to effectively manage the change. Tasks should be assigned to individuals and deadlines established. Also, the plan needs to recognize that staff need to continue their regular work.
- Incorporating monthly status updates in management meeting agendas – progress should be monitored and recognized regularly.

Appendix A – Summary of Audit Comfort

Audit Objectives	Audit Criteria	Cost	Efficiency	Effectiveness
1.0 Did WCB have processes in place to generate independent and supportable reconsideration decisions and effectively communicate results?	1.1 (a) Policies and procedures regarding the review of primary adjudication decisions are in place and operating effectively; processes encourage consistency among Review Officers in making decisions.		✓	✓
	1.1 (b) Operating performance data (e.g. reconsideration volume and productivity, reconsideration profile, service measures and decision outcomes) are reasonable and acceptable by management; certain results are comparable to other similar organizations in Canada.			✓
	1.1 (c) Review Officers have skills and experience in claims adjudication.		✓	✓
	1.1 (d) Relevant training is provided to RO and FAU staff on an annual basis and staff attend training.		✓	✓
	1.1 (e) Quality assurance processes are in place (e.g. peer to peer reviews, quality assurance function, Internal Audit) for processes at both the RO and FAU.			✓
	1.2 (a) Processes to request and gather facts from Primary Adjudication should be in place and operating effectively.			✓
	1.2 (b) Documentation standards for information included in claim files should be in place and operating effectively.			✓
	1.2 (c) Approval protocols for expanding adjudication issues beyond the appellant's request should be in place and operating effectively.			✓
	1.2 (d) Processes to verify the completeness of the file (e.g. checklist, authorization protocols) prior to decision making should be in place and operating effectively.			✓
	1.3 (a) Code of Conduct is reviewed and approved on an annual basis; all RO and FAU staff sign acknowledgement of the Code of Conduct on an annual basis.			✓
	1.3 (b) Policies and procedures to avoid conflicts of interest (e.g. self-declaration process) are in place and operating effectively.			✓
	1.3 (c) Ethics and/or conflict of interest related training is provided to RO and FAU staff.			✓

Audit Objectives	Audit Criteria	Cost	Efficiency	Effectiveness
	1.4 (a) Processes to communicate decisions in a manner that is clear and concise, explaining the issues and reasons behind the appeal decision are in place and operating effectively.		✓	✓
2.0 Did the RO register and provide appeal decisions in a timely manner?	2.1 (a) Expected milestones and timelines for key RO activities are established, reviewed and approved; established timelines should lead to desired end result.		✓	✓
	2.1 (b) RO adherence to established timelines are monitored and reported; specifically, the following objective is met: • Review Officers provide decisions within 60 days from the date the request is received, unless additional investigation is required or a party with a direct interest chooses to participate in the appeal. • Average duration of reconsideration decisions from receipt of the request to time of decision is reasonable comparable with similar organizations in Canada.	✓	✓	✓
	2.1 (c) Process and/or rational for allocation of cases to Review Officers is in place and operating effectively; specifically, consideration is given to the following: • Equitable distributions of workload across Review Officers happens; • Consideration is given to the experience of certain Review Officers for certain types of cases; and/or • Consideration is given to whether Review Officers were previously involved in the issue.	✓	✓	
	2.2 (a) Processes for setting and communicating deadlines for additional information requests should be in place and operating effectively; adherence to deadlines should be monitored and follow-up should happen.	✓	✓	
	2.2 (b) WCB structure and processes should reduce the requirement number of handoffs of information; Emerge should be used to streamline handoffs of information between RO, FAU and/or Primary Adjudication	✓	✓	
	2.2 (c) Expected milestones and timelines for key FAU activities (e.g. file access requests, dealing with objections) are established,	✓	✓	

Audit Objectives	Audit Criteria	Cost	Efficiency	Effectiveness
	reviewed and approved established timelines should lead to desired end result.			
3.0 Was the Emerge information system reliable, secure and being utilized to improve performance of the RO and FAU?	3.1 (a) Emerge is available for use as needed; Emerge should be available 99% of the time from 7:55 to 17:05 evaluated on a rolling 12 month period.	✓	✓	✓
	3.1 (b) Change management policy and procedures should be established and approved in regards to changes in IT applications or interfaces.	✓	✓	✓
	3.1 (c) Back-up procedures and data recovery/ restore procedures for Emerge should be in place and operating effectively	✓	✓	✓
	3.1 (d) Help Desk services and a service ticket process should be in place and operating effectively.	✓	✓	✓
	3.1 (e) Plans should exist in event of IT failure and/or disruption; Business Continuity Plan ("BCP") and a Disaster Recovery Plan ("DRP") should be in place, approved and tested.			✓
	3.2 (a) Privacy and Confidentiality Policy should be in place and operating effectively; specifically, acknowledgement of the policy should be made by all RO and FAU staff annually.			✓
	3.2 (b) User access protocols for the additions, change and termination of users and access rights should be in place and operating effectively.			✓
	3.3 (a) Emerge workflow should be "user friendly" and users should be supported with training and a user guide.	✓	✓	
	3.4 (a) Emerge should support key functions (e.g. process, information requirements, task lists, action items, reminders) of the RO and FAU.	✓	✓	
	3.4 (b) Manual procedures and "paper filings" in RO and FAU are minimal.	✓	✓	

Audit Objectives	Audit Criteria	Cost	Efficiency	Effectiveness
	3.4 (c) Internal controls (both preventative and detective) should be in place over automated and manual processes (e.g. spreadsheet policy).			✓
4.0 Did WCB have structures and processes in place to maintain and monitor compliance with relevant Acts, regulations and policies applicable to the reconsideration process?	4.1 (a) RO policies and procedures are reviewed and approved on an annual basis; policies and procedures represent "good practice".			✓
	4.1 (b) RO and FAU should maintain compliance with relevant sections of the WCA and WCB policies.			✓
	4.1 (c) RO staff job descriptions and staff evaluation forms include the position's responsibilities for maintaining compliance.			✓
	4.2 (a) The quality assurance function checks the RO and FAU for compliance with Acts, regulations and WCB policies on a regular basis.			✓
	4.2 (b) Independent processes (e.g. Internal Audit, Compliance Function) are in place to regularly monitor and report on RO and FAU compliance with relevant Acts, regulations and WCB policies.			✓
5.0 Did WCB have structures and processes in place to manage its volume of reconsiderations received with due regard for cost?	5.1 (a) Departmental budgets should be prepared and approved for the RO and FAU on an annual basis; budgets should include staff level assumptions and analysis.	✓		✓
	5.1 (b) Actual to budget variances are monitored and reported on a monthly basis.	✓		✓
	5.1 (c) RO and FAU should generally meet departmental and staff performance objectives (i.e. not fail to meet objectives due to inadequate staff levels or significantly exceed measures due to over staffing).	✓	✓	✓
	5.1 (d) Staff turnover levels should be reasonable and considered acceptable by management; succession plans for key staff in the RO and FAU should be in place and approved	✓		✓
	5.2 (a) Knowledge management processes (e.g. Intranet access to policies, training materials, legal information, Frequently Asked Questions) should be in place and operating effectively.		✓	

Audit Objectives	Audit Criteria	Cost	Efficiency	Effectiveness
	5.2 (b) RO should discuss common themes/issues with Primary Adjudication regarding claims that are not ready to be addressed that need to be returned for additional information.	✓	✓	✓
	5.2 (c) Common themes in Appeal Commission rulings to overturn decisions should be identified and considered for continuous improvement.	✓	✓	✓
6.0 Were performance measures aligned with objectives for the reconsideration process, monitored and reported on a regular basis?	6.1 (a) Roles, responsibilities, authority and accountability are defined for RO and FAU staff positions; job descriptions should be available, current dated and approved for all RO and FAU staff.	✓	✓	✓
	6.1 (b) Departmental performance measures regarding the reconsideration process should be reasonably consistent with those used by similar organizations in Canada.	✓	✓	✓
	6.2 (a) RO and FAU staff performance measures are in place and used in staff evaluations; staff evaluations are performed on an annual basis, at minimum.	✓		✓
	6.3 (a) Customer satisfaction is monitored, reported and considered for continuous improvement; customer satisfaction should be rated as "high".			✓
	6.3 (b) Employee satisfaction surveys should be conducted regularly and results should be considered for continuous improvement; employee satisfaction survey results should be rated as "high".			✓

Appendix B - Survey Results

No.		Manitoba	Ontario	NL	Yukon	Nova Scotia	PEI	Alberta
1	Total number of Claims received per Year							
	2013	37841	232k	5416	1164	25050	3875	194k
	2014	38352	233k	5294	1229	24974	4139	194k
	2015	37031	229k	4971	1222	23933	3992	180k
2	Total number of reconsideration appeals received							
	2013	1340	9567	1244	53	1670	73	2666
	2014	1351	9995	1172	33	1524	92	2506
	2015	1304	8063	1109	21	1313	109	2511
3	Total number of claims escalated to an independent appeals commission							
	2013	184	5584	279	6	774	15	1088
	2014	166	5079	317	12	740	12	996
	2015	155	4389	236	5	720	21	925
4	% of claims overturned by Appeals Commission							
	2013	36%	Not available	15%	66.67	47%	47%	39.47%
	2014	31%	Not available	22%	66.67	46%	17%	28.13%
	2015	32%	Not available	19%	80	43%	36%	21.84%
5	FAU a separate unit from RO							
		Yes	Yes	No	yes	No	Yes	Yes
6	Average turnaround time for making reconsideration decisions (2015)							
		40 days	85-87% in 6 mths or less	45 days	2 months	82 days	66 days	20 days

No.		Manitoba	Ontario	NL	Yukon	Nova Scotia	PEI	Alberta
7	Staff count for reconsideration office							
		Director (1), Review Officers (10)	VP (1), Director (1), Appeals Resolution Officers (63-70), Managers (6), Appeal Registrars (4), Appeal Coordinators (6)	Director(1), Manager (1), Review Specialists (7), dicta typists (2),Review rep (1), Admin Officer (1) and clerks (4)	Review Officers (2), Manager (1), Director (1), Appeals Assistant (1)	Manager (1), Hearing officers (6) and team support (6)	Review Officer (1), Back up Review Officer (1)	Director (1), Manager (1), Team Lead (1), Resolution Specialists (15)
8	Checklist to ensure consistency and completeness							
		No	No	No	No	No	Yes	No
9	Yearly Customer Satisfaction Surveys specific to internal reconsideration							
		No	No	No	No	No	No	No
10	Yearly Employee Satisfaction Surveys							
		Yes (Annually)	Yes (timeline not mentioned)	Yes (Annually)	Yes (Biennial)	Yes (Annually)	Yes (Annually)	Yes (1 Spring and 1 Fall)
11	Cost Budget for the reconsiderations department							
	2013	$1,022,104	Not shared (Confidential)	$945,194	No response	$1,320,195	Not shared	Not available
	2014	$980,508	Not shared (Confidential)	$912,711	No response	$1,320,195	Not shared	Not available
	2015	$1,007,666	Not shared (Confidential)	$973,200	No response	$1,117,356	Not shared	Not available

Appendix C - Summary of Recommendations and Management Response

Ref.	PwC Recommendations	Potential Impact[1] (High, Medium, Low)	Priority[2] (High, Medium, Low)	Implementation Time Frame[3]
1.1	We recommend that WCB's policies should identify the audit trail of any policy replacements (Board policy 21.00 got replaced with 20.10).	Low	Low	Q1 2017
	Practices and Procedures manual, RO style guide, and Peer review guidelines should have documented evidence of approval and version tracking.	Low	Low	Complete
1.2	We recommend that a formal training and development departmental work plan be put in place for RO and FAU in collaboration with Centralized group or Compensation Services to track and monitor the combined requisite knowledge and skill set, and to identify potential gaps on an on-going basis.	Medium	Medium	Q4 2016
	For example: vocational rehabilitation, occupational disease, WCB policies and guidelines, effective peer review, consistent and clear decision letters and other pertinent information.			
1.3	We recommend that process maps be drafted for both RO and FAU with clear quality control checkpoints, depicting segregation of manual and automated activities. This would identify additional opportunities of efficiencies and effectiveness.	Low	Low	Q1 2017
1.4	We recommend that a mandatory peer review for the FAU be made applicable for all the external correspondence, such as handling of objections and file access.			
		Low	Low	Q4 2016

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[1] **Note:** Represents management's assessment of the opportunity to impact cost, effectiveness and efficiency.

[2] **Note:** Represents management's assessment of their priority to act on each recommendation.

[3] **Note:** Represents management's assessment of estimated time frame to implement the recommendation.

1.5	We recommend that the RO should define a standard sample size for random quality checks performed by Director, RO. The FAU should define a standardized methodology and sample size for random quality checks performed by Manager Corporate Records.	Low	Low	Q4 2016
1.6	We recommend that RO and FAU should consider collaborating with the Business Process Renewal group as a pilot project for overall consistency and standardization for scenarios such as: • Creation of checklist for overall consistency of timelines, procedures. • Adoption and interpretation of style guide leading to overall consistency of decision letters. • Standardization of naming convention of files, documents and headings for information entered on Emerge system.	Low	Low	Q3 2017
1.7	We recommend that the Ethics and Code of Conduct policy be amended to include the following as a real or perceived conflict of interest situation: • Adjudicating, managing and paying a claim of someone with whom there is a personal relationship.	Medium	Low	Q4 2017
	Conflict of interest declaration forms should be obtained from the Review Officer and retained with HR where the case was reallocated due to conflict of interest.	Medium	Low	Q4 2016
1.8	We recommend that suitable mapping of responsibilities, accountabilities, and consultation, and information protocols be done in RO, to handle cases from various levels in Primary Adjudication level. Example: Director of RO, can do a second level review of the claim, especially when the initial adjudication was performed by a Director from Primary adjudication.	Low	Medium	Q1 2017
1.9	We recommend that WCB policies should be reviewed to work on synergies around definition of days (such as business days, calendar days) and replacement of ambiguous words.	Low	Low	Q2 2017
2.1	We recommend that FAU should explore opportunities for optimal utilization of Emerge functionality instead of duplicating	Medium	Medium	Q3 2017

	some of their work through the use of an excel spreadsheet.				
2.2	We recommend that WCB should evaluate the RO and FAU structural relationship options that brings the maximum efficiency and effectiveness to their operations. (2 of 6 WCB's surveyed, FAU and RO are merged and for other 4 they are separate).	Medium	Medium	Complete	

2.3	We recommend that RO and FAU should collaborate with the Emerge application development team to prioritize tasks such as:
	
	• Trigger of auto task creation from RO to FAU for reconsideration cancellations
	• Trigger of auto task creation from FAU to RO
	  i. When FAU receives direct requests for file release
	  ii. At key milestones through the entire life cycle while the objections are handled by FAU
	• Upgrades to reconsideration finder to facilitate an effective search of historical claim records
	• Upgrades to FAU access to facilitate tracking of individual metrics such as "Number of claims handled by each FAU staff", Category of claims received.
		Medium	Medium	Q4 2017	

3.1	We recommend that WCB consider developing a consolidated documentation listing all the current IT policies and procedures over program change management (including Emerge) based on the following control check points: • Change initiation and request • Review and approval of change request • Change development • Change testing • Approval of tested change for migration to production • Review and monitoring of implemented changes	Low	Medium	Q2 2017	
3.2	We recommend that WCB consider developing formal IT policies and procedures documentation regarding data backup and recovery process for Emerge based on the following relevant information: • Backup systems being used	Low	Medium	Q2 2017	

	• Procedures over the data backup process and steps undertaken in the event of backup failures • Nature and details of data backed up • Backup schedules, frequency, and types (i.e. full, incremental, differential, etc.) • Where to back up data (e.g. physical tape, virtual, cloud) • Monitoring performed over the backup process • Personnel responsible for managing the backup process, including their responsibilities related to the IT process • Personnel who can access the data backups • Retention period and disposal of the data backups • Procedures over data recovery/restore process • Frequency of data recovery/restore performed			
3.3	We recommend that WCB update its DRP documentation to reflect the current process and overall strategy in place, especially regarding testing the DRP periodically. A process should be developed to update the DRP periodically (preferably, at least annually) and when certain changes over the DRP stakeholders, process, or technology occur.	Medium	Medium	Q2 2017
3.4	We recommend that WCB consider broadening the scope of its BRP to include other business functions or, at the very least, ensure that the BRP strategy covers general incident procedures for all other business functions within the organization.	Medium	Medium	Q4 2017
3.5	Although strong password controls exist within the Emerge system, we recommend that WCB consider updating the following Emerge password parameter to align with WCB's password policy: • Currently, Emerge restricts reuse of four (4) previous passwords. Per company password policy, non-reuse of passwords should be at five (5).	Low	Low	Q1 2017
4.1	We recommend that the policy number 20.10 be reviewed in collaboration with the RO group. • Both RO and Assessment Committee are involved to undertake	Low	Low	Complete

		Low	Low	Q1 2017

	reconsideration of decisions on cost relief or cost transfer, while the policy generally identifies this work to be performed by Assessment Committee. • Policy also needs to be elaborated when the cases are referred back to Primary Adjudication. We recommend that the RO Practices and Procedures be updated, and reviewed for specific quantitative metrics mentioned in the Review Officer's evaluation form.	Low	Low	Q1 2017
4.2	We recommend that the QA group undertake a review of the RO and FAU to ensure compliance with defined process and policies.	Medium	Medium	Q1 2017
4.3	We recommend that more rigor be placed on updates to WCB policies and procedures only through a duly approved policy intake form. (Policy number 20.10 replaced policy number 21.00, without a duly approved policy intake form.) We also recommend maintaining a log of all WCB policy changes on your corporate portal for easy access and cross referencing by all impacted business units.	Medium	Medium	Complete
4.4	We recommend that written procedures or guidelines to support compliance with Privacy regulations should be documented for authentication of the callers regarding requests over the phone for the release of the file. We also recommend that written procedures or guidelines be documented that outline the requirements to support Privacy during the setup of the master data or any further changes to this information.	Medium	Medium	Q3 2017
5.1	We recommend that RO should identify the reasons behind the decisions in the data, shared with Primary Adjudication, especially the ones which are varied or rescinded. This would lead to better evaluation, and thematic review by the adjudicators and case managers from the Primary Adjudication.	Low	Low	Q2 2017
6.1	We recommend that the RO should consider developing and implementing independent mechanisms to gather external customer feedback on a regular basis. Currently, there is no process to capture independent (outside WCB) feedback on RO's operations.	Low	Low	Complete
6.2	We recommend that specific quantitative metrics be defined for the FAU to measure	Medium	Medium	Q3 2017

	the timing to release the file in the case of objections. A process should be developed to evaluate both FAU's departmental and staff performance on the basis of defined quantitative metrics such as target timelines to release the file when there were objections, number of file access requests per FAU staff. (Currently there is no usage of quantitative metrics to evaluate the performance of FAU staff, who have a reporting relationship with the Supervisor).			

Appendix D - Quantitative Exhibits

Reconsideration Volume and Productivity Measures

	Target	2013	2014	2015
New Reconsiderations received		1340	1351	1304
Reconsiderations closed		1320	1330	1371
Average number of closures per Review Officer per week	3	3.1	3.3	3
Reconsiderations in Queue at the end of the year		187	201	165

Reconsideration Profile Measures

	Target	2013	2014	2015
Reconsideration closure activity by closure type		1320	1330	1371
Volume of Review Office Decisions per year		1027 (78%)	1032 (78%)	1026 (75%)
Returns to claim owner		209 (16%)	219 (16%)	229 (17%)
Others		84 (6%)	79 (6%)	116 (8%)
Average days from date appeal received to date placed on hold		16	15	14
Average days to make a decision once ready for review		10	12	5

Service Measures and Decision Outcomes

	Target	2013	2014	2015
% Reconsiderations closed within target (not on hold-60 days)	95%	87%	79%	95%
% Reconsiderations closed within target (on hold-90 days)	95%	78%	76%	91%
Review Office Activity Confirm rate-Compensation Services		71%	71%	73%
Appeals Commission Confirm rate-Review Office		64%	69%	68%

File Access unit Metrics

	Target	2013	2014	2015
Average days to release files (where no objections/or no revert was received)		11.33	11.19	12.23
Objections upheld by Appeals Commission (Numbers)		6	8	5
Objections upheld by Appeals Commission (% terms)		86%	100%	71%
Average days to release the file (for all cases, and includes cases where objections were raised)		13	12.4	13.8
File Access received (RO)	Metrics not tracked			
File Access received (Others)	Metrics not tracked			
Average Number of file access requests handled per FAU staff	Metrics not tracked			

New Reconsiderations Received

Reconsiderations Closed
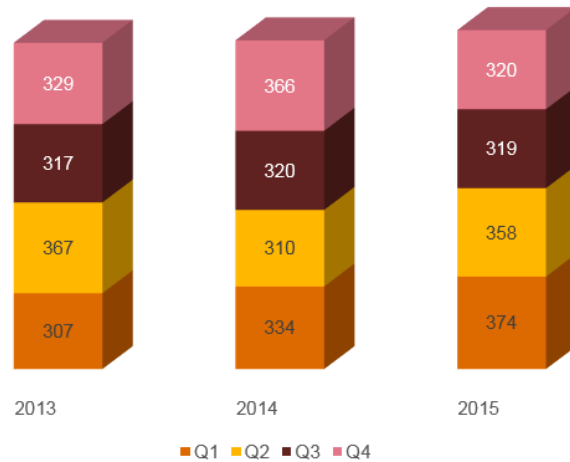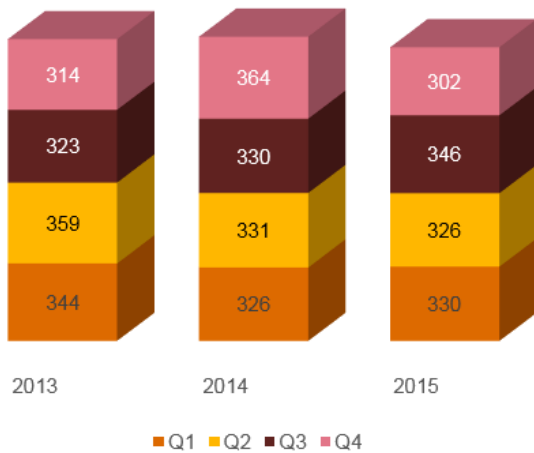
Staff Continuity Schedule

For Review Office and File Access

	Review Office		File Access		
	Moved to other dept.	Left WCB	Moved to other dept.	Left WCB	
2013	0	1	0	0	
2014	0	1	0	0	
2015	2	0	0	0	