Workers Compensation Board of Manitoba

Cost, Efficiency and Effectiveness Audit

Short Term Claims Process

Report of Findings

PRICEWATERHOUSECOOPERS

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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. The WCA requires an independent auditor to review the cost, efficiency and effectiveness of at least one program every five years. In 2010, the Short Term Claims ("STC") program was selected for review.

We conducted a cost, efficiency and effectiveness audit of the short term claims process of the WCB (the "audit"). Our audit focused on the adequacy of internal control structures and processes to receive, register and adjudicate claims. The audit also considered the compliance of these structures and processes with the WCA and considered the validity of internal performance measures being used by WCB.

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, execution phase and reporting phase.

In the planning phase, we acquired a good understanding of STC and developed the detailed audit objectives, audit scope, audit criteria and test procedures. Audit objectives and scope of the audit were described in broad terms in the WCB's Request for Proposal ("RFP") WCB-10-014. 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 STC management and documented in our Audit Strategy and Approach report dated November 23, 2010.

Specifically, we determined and agreed with STC management that the audit objectives were to answer the following questions:

1. Did STC receive, register and adjudicate claims in a timely manner?

2. Did STC have processes in place to receive and record accurate and complete claim information, resulting in a supportable adjudication decision?

3. Did WCB and/or STC have structures and processes in place to maintain and monitor STC compliance with the WCA?

4. Did STC have structures and processes in place to process its volume of claims received with due regard for cost and efficiency?

5. Did WCB have reliable Management Information Systems to support STC intake and adjudication functions?

6. Were STC's strategic outcomes, priorities and performance measures in alignment with WCB's organizational objectives?

The scope of the process to be audited was defined to commence when a claim was reported to WCB and end once a decision/outcome regarding the acceptance of the claim was communicated to the injured worker. The audit scope did not include the enquiry, claim payments or Occupational Disease Unit ("ODU"). Details regarding in-scope and out-of-scope matters (i.e. audit limitations) were agreed with management and documented in the Audit Strategy and Approach report. Our audit was conducted between September 2010 and December 2010 and focused on 2010 activities. Our audit also considered certain trends in the audit areas over the three year period of 2008, 2009 and 2010.

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 November 30, 2010.

During the execution 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, an observation of STC processes, interviews with management and staff, review of STC documentation, sample testing of claim files, sample testing of claim file audits performed by STC supervisors, analysis of certain STC data, and comparison of certain STC data against survey responses received from similar organizations. Our findings and recommendations were presented to management and documented in our Schedule of Findings and Recommendations report dated January 10, 2011.

Our audit was conducted in accordance with auditing standards for such engagements as recommended by the Canadian Institute of Chartered Accountants, 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, STC in-scope internal structures and processes appeared to be operating with due regard for cost, efficiency and effectiveness. Overall, we found that STC was well managed and controlled. We were pleased with the extent STC appears to use technology as a way to drive intake and adjudication functions in an efficient and effective manner. It was apparent that management and staff understood their roles and responsibilities. We noted that clear 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 all 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 positive view of STC 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
In our view, STC received, registered and adjudicated claims in a timely manner, except as noted.	• No measurement of mail turnaround time • STC performance measurement using Date of Accident as date to start measuring from is out of STC's control • Potential to move claim check on incoming mail to the records unit • Potential to use Electronic Data Interchange and/or eFax technology
In our view, STC had policies and procedures in place to receive and record accurate and complete claim information, resulting in a supportable adjudication decision, except as noted.	• Receipt of faxes and mail are not sequentially logged • All telephone calls are not being recorded, logged or archived • There is no formal review and approval process for scripts in the CIS application • Paper or electronic checklists are not maintained to drive consistency in adjudication • Sensitivity training was not provided to intake or adjudication staff on an ongoing basis • Opportunity for Service Quality department to incorporate STC in its annual cyclical audits • Improvements by maintaining repository of claim decision letters
In our view, WCB and STC had structures and processes in place to maintain and monitor STC compliance with the WCA.	• None noted
In our view, STC had structures and processes in place to process its volume of claims received with due regard for cost and efficiency. We were unable to substantiate whether STC was operating in a cost effective manner compared with other similar organizations, given differences in organizational classifications between short term and long term claims, differences in the way costs are accumulated, regional differences and other.	• None noted

Summary Conclusions (Based on audit criteria and testing performed)	Summary of Opportunities for Improvement
In our view, WCB had reliable Management Information Systems in place to support STC intake and adjudication functions, except as noted.	• Disaster Recovery Plan and Business Resilience Plan had not been tested
In our view, STC's strategic outcomes, priorities and performance measures were in alignment with WCB's organizational objective, except as noted.	• Opportunity to develop Employee Engagement performance measure to benchmark STC employee satisfaction

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 sixteen recommendations that we believe may help STC operate in a more cost effective, efficient and process effective manner. These recommendations were considered by management and prioritized with defined timelines being given for further investigation and/or implementation. In our view the implementation of our recommendations would assist STC in better meeting its cost, efficiency and effectiveness objectives.

In conclusion, we found management to be very supportive of the short term claims audit process and provided us with the information needed in an open and timely manner. We thank the management and staff of the WCB for their participation and eagerness to identify and make improvements to their organization.

I.   About WCB and the STC Program Audit

The Workers Compensation Board of Manitoba ("WCB) is an injury and disability insurance system for workers and employers, paid for by employers. The WCB workforce is made up of approximately five hundred people who provide service to about thirty thousand employers and help about forty thousand injured workers annually.

The Workers Compensation Act ("WCA" or "Act") provides the 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 Short Term Claims ("STC") who gather information, make further inquiries, and then ultimately decide the acceptability of the claim.

Approximately forty thousand claims are reported to the WCB annually through STC. Claims are sorted into categories based on the type of injury, including (i) traumatic injuries; (ii) non-traumatic injuries; and (iii) occupational disease related injuries. Claims are further classified according to whether they involve a payment for loss of wages ("time loss" claims where the worker misses time from work) or no payment for loss of wages ("no time loss" claims where the worker has not lost time from work but may have medical and/or other expenses associated with the workplace injury).

There are a number of distinct administrative structures and processes associated with the initial adjudication of a claim. Receiving and registering claims is performed by approximately thirteen staff working in the Claims Information Centre ("CIC") area of STC. Another ten staff working in Enquiry respond to in-person, telephone and other enquiries and enter data for the area. Approximately thirty-five Adjudicators then investigate and make decisions concerning the acceptability of the claims. A further six staff are responsible for determining and processing payments associated with these claims. Finally, STC also contains an occupational disease unit ("ODU") with seven specially trained adjudicators to adjudicate and manage occupational disease related claims. The ODU was out of scope for this audit.

The initial adjudication process within STC is extremely important to the proper operation of the WCB. It is important for WCB stakeholders to know that the initial decision to accept a claim is the result of a rigorous, fair, impartial and timely process.

Reason for the Audit

The WCA was amended in 2005 to include the addition of section 69(3) to the Act, which requires the Board of Directors to at least once every five years, appoint an independent auditor to review the cost, efficiency and effectiveness of at least one program provided under the WCA. Accordingly, the WCB selected the Short Term Claims program.

STC was selected for review on the basis that STC is the first connection many injured workers and employers have with the WCB and, as such, is a very important part of the services the WCB offers. STC's principal function is to initially receive and adjudicate claims for compensation. An evaluation of the cost, efficiency and effectiveness of STC would be valuable to both the WCB and its stakeholders.

II.   Audit Objectives and Purpose

We conducted a cost, efficiency and effectiveness audit of the short term claims process of the WCB (the "audit"). Our audit focused on the adequacy of internal control structures and processes to receive, register and adjudicate claims. The audit also considered the compliance of these structures and processes with the WCA and considered the validity of internal performance measures being used by WCB.

The audit objectives were described in broad terms in the WCB's Request for Proposal ("RFP") WCB-10-014. Our audit was carried out in accordance with this RFP and our proposal response dated July 29, 2010. As requested in the RFP, our program audit of STC focused on the internal administration of STC's initial adjudication functions and performance. We collected qualitative and quantitative information in order to assess whether the WCB has met its initial adjudicative functions through STC in a cost effective and value added manner.

More specifically, the STC program audit considered the adequacy of the STC structures and processes to receive, register, and initially adjudicate claims. It considered the compliance of these structures and processes with the WCA, its regulations and WCB policies. The audit also considered the validity of current internal performance measures utilized by the WCB and included a survey of similar organizations regarding certain performance measures.

During the planning phase of our work, the audit objectives were defined in more specific terms to provide a framework for the audit. To identify more specific audit objectives, we observed STC processes, reviewed certain STC process documents, interviewed senior management and performed a high level risk assessment. We considered such factors as significance, risk, auditability, resource requirements and timing when establishing the more detailed audit objectives and scope. Decisions were agreed with Rehabilitation and Compensation Services' ("RACS") management and documented in our Audit Strategy and Approach report dated November 23, 2010.

Specifically, we determined and agreed with RACS' management that the audit objectives were to answer the following questions:

1. Did STC receive, register and adjudicate claims in a timely manner?
2. Did STC have processes in place to receive and record accurate and complete claim information, resulting in a supportable adjudication decision?
3. Did WCB and/or STC have structures and processes in place to maintain and monitor STC compliance with the WCA?
4. Did STC have structures and processes in place to process its volume of claims received with due regard for cost and efficiency?
5. Did WCB have reliable Management Information Systems to support STC intake and adjudication functions?
6. Were STC's strategic outcomes, priorities and performance measures in alignment with WCB's organizational objectives?

The audit criteria and test procedures were developed to provide information and evidence regarding these questions. Our findings and recommendations are presented for each of these six audit objectives.

III. Audit Scope, Time Period and Limitations

The audit scope was defined in the WCB's RFP WCB-10-014. The audit scope, as defined in the RFP, included the receipt, registration and claim adjudication structures and processes of STC. The scope of the audit was on the process that commenced when a claim was reported to WCB and ended once a decision/outcome regarding the acceptance of the claim had been communicated to the injured worker. The scope of the audit did not include the enquiry, claim payments and Occupational Disease Unit ("ODU") structures or processes. The scope did not include auditing the structures and processes employed by the WCB in managing claims after a decision has been made on the acceptance of a claim.

In addition to the above, certain other matters were identified and agreed with RACS' management as being out-of-scope for the purposes of this audit. In particular, we agreed that the decision on whether a specific claim decision was correct is subject to professional judgement on behalf of individual adjudicators with years of experience and training in the industry. In this regard, we developed audit criteria around the structures and processes in place at STC in support of claim adjudication decisions.

We did not audit the completeness and accuracy of the performance information created by WCB or STC information systems. When possible, we verified numbers reported with underlying information. Under the terms of the engagement, we could not perform detailed testing of underlying data produced by STC systems. In certain situations, we 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 STC's due regard for cost and efficiency, we were limited to consideration of internal structures, processes and trends. We developed and issued a survey to similar organizations and compared STC against survey responses. Our observations and findings from the survey and reasonable inferences that we could draw from the survey results were included throughout various sections of this report. It was not feasible to evaluate STC against other organizations regarding the calculation of "Cost per Claim" due to many factors that contribute to comparability. For example, the classification of claims between short and long term claims may differ, costs may be accumulated and accounted in different ways and there are regional differences.

Details regarding in-scope and out-of scope matters (i.e. audit limitations) were agreed with management and documented in the Audit Strategy and Approach report.

Our audit was conducted between September 2010 and December 2010. Samples selected for testing were from 2010. When performing trend analysis, we considered results over the three year period of 2008 to 2010, when possible.

Our audit fieldwork was substantially completed by December 17, 2010. Management responses to our recommendations were provided in February 2011.

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IV. Audit Approach and Nature of Testing

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, execution phase and reporting phase.

Phase 1: The Planning Phase

In the planning phase, we acquired a good understanding of STC and developed the detailed audit objectives, audit scope, audit criteria and test procedures.

In this planning phase, we first obtained an in-depth understanding of STC through a wide range of procedures and information gathering techniques. We learned about company level controls, organizational structure, information technology, processes and key risks. We performed the following key activities:

- Reviewed STC process and other related documentation, as available;

- Read and discussed specific requirements under the WCA with management;

- Conducted interviews with management and certain staff;

- Observed STC processes from intake to adjudication;

- Facilitated a high level risk assessment of STC with management; and

- Reviewed previous Internal Audit report of STC.

Information gathered during the planning phase was used to more precisely define the audit objectives and audit scope as described in the previous sections of this report.

The risk assessment performed with management was a key tool used in the development of our audit objectives and audit scope. Our consideration of significance and risk, along with our previous experience with similar organizations, helped us determine where to focus the audit. We made decisions to identify audit objectives and audit criteria that would most likely be important to STC stakeholders.

The audit was designed to focus on areas of risk, areas that were auditable and areas that could fit within budget time constraints as agreed in the proposal process. As such, we designed the audit to comprise audit objectives and audit criteria that would obtain breadth and depth over cost, efficiency and effectiveness of STC processes. We provide a summary of audit objectives and audit criteria mapped against cost, efficiency and effectiveness considerations in a Summary of Audit Comfort included as Appendix A.

Details from the above planning work, including Audit Objectives and Audit Criteria, were documented in our Audit Strategy and Approach Report that was agreed with RACS' management on November 23, 2010.

Once we confirmed the audit objectives and audit criteria with management, we designed test procedures for each audit objective. Details regarding test procedures were documented in our Audit Plan of Execution Report that was agreed with RACS' management on November 30, 2010.

Phase 2: The Examination Phase

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

- Observed STC intake and adjudication processes;

- Reviewed certain STC organizational (e.g. strategic planning documents) and process documentation;

- Read the WCA and other relevant regulations and policy documents;

- Examined a sample of claim files processed and managed in STC;

- Examined a sample of claim file audits performed by STC supervisors;

- Reviewed CIR, Adjudicator, Supervisor and Manager job descriptions as well as Performance and Development ("P&D") forms;

- Reviewed CIR and Adjudicator training materials and a summary of training attendance;

- Obtained and analysed STC data related to performance measures;

- Conducted interviews with senior management, supervisors and staff with responsibilities for intake and adjudication and audit/quality assurance functions;

- Reviewed certain communication materials, including a sample of information provided in newsletters, e-mails and made available on the intranet site;

- Observed and performed testing on certain aspects of the CIS and Emerge application systems and read certain IT policy and procedure documents such as backup and restore and change management policies;

- Read Disaster Recovery and Business Resiliency Plans;

- Reviewed a variety of STC data such as data around claim volumes, staffing levels, workload distributions, review office statistics, calls received by language statistics, and IT availability statistics;

- Read customer survey and employee survey results;

- Inspected financial budget to actual variance reports;

- Developed and presented survey questions to all WCBs in Canada, two Canadian Life and Health Insurers and one Global Insurer; and

- The results of our test procedures were documented in our detailed working paper files and reported in our Schedule of Findings and Recommendations report to management and this Report of Findings.

Phase 3: 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 Schedule of Findings and Recommendations was presented to RACS' management on January 10, 2011. The draft Report of Findings report was provided to RACS' management on January 26, 2011. Management responses to recommendations were received in February 2011.

This Report of Findings, in conjunction with the other management reports referred to in this document, 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.

V.   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 STC receive, register and adjudicate claims in a timely manner?	In our view, STC received, registered and adjudicated claims in a timely manner, except as noted. It appears that performance targets regarding timeliness are being met, there are few handoffs, workload is distributed among staff, claim information is being received to support claims, follow-up procedures are in place for outstanding claimant information and technology is reducing manual workload. The WCB utilized valid internal performance measures. We noted opportunities for improvement by enhancing certain performance measures and processes. Also, there may be an opportunity to explore the use of Electronic Data Interchange and eFax technologies.
2. Did STC have processes in place to receive and record accurate and complete claim information, resulting in a supportable adjudication decision?	In our view, STC had policies and procedures in place to receive and record accurate and complete claim information, resulting in a supportable adjudication decision, except as noted. Claim information was accurate and complete resulting in supportable decisions. It appears that data is being entered accurately and CIS includes most necessary scripts, training has been provided, communication to staff is being performed, internal monitoring processes are in place and policies and procedures exist. Consistency in adjudication may be better supported by investigating whether Emerge could be used to drive consistency and completeness. In conducting our work, we noted that internal controls could be improved by formalizing the review process over external communications. Also, we suggest that the Service Quality department include STC as a part of its cyclical audits.
3. Did WCB and/or STC have internal control structures and processes in place to maintain STC compliance with the WCA?	In our view, STC had structures and processes in place to maintain and monitor STC compliance with the WCA. WCB policies are in place and appear to be understood by CIR and Adjudication staff. There are internal monitoring processes in place.
4. Did STC process its volume of claims with due regard for cost and efficiency?	In our view, STC has structures and processes in place to process its volume of claims received with due regard for cost and efficiency. Financial budgets are prepared and approved and staff levels appear to be consistent with needs for intake and adjudication functions. Language service outsourcing allows for servicing in most languages without the costs of having to hire staff speaking many different languages. Technology is used to drive processes and the

Audit Objective	Our Summary Findings
	use of electronic files appears to reduce manual work.
	We were unable to substantiate whether STC's "Costs per Claim" were reasonable compared with other similar organizations due to difficulties in comparability between the organizations and regions.
5. Did WCB have reliable Management Information Systems to support STC intake and adjudication functions?	In our view, WCB had reliable Management Information Systems in place to support STC intake and adjudication functions, except as noted. The system met its system availability performance objective of being available 99% of the time. Disaster recovery, business resilience, backup plans, change management processes and help desk and service ticket processes are in place. User authorization protocols are in place.
	We noted that the Disaster Recovery Plan and Business Resilience Plan have not been tested, resulting in a risk that they are not effective.
6. Were STC's strategic outcomes, priorities and performance measures in alignment with WCB's organizational objectives?	In our view, STC's strategic outcomes, priorities and performance measures were in alignment with WCB's organizational objectives, except as noted. Customer satisfaction and STC employee satisfaction results demonstrate support for STC operations. Certain STC performance measures were fully in alignment with organizational performance measures.
	We noted that STC could improve its performance measures in areas such as ensuring all elements or performance measures are controllable and improving alignment between departmental and organizational objectives.

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

VI. Detailed Findings and Recommendations

1. Did STC receive, register and adjudicate claims in a timely manner?

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:

- Handoffs appear to be minimized, except as recommended below.

- An effort has been made by management to distribute intake and adjudication workload evenly.

- Adjudicators are making decisions as soon as they have received an appropriate amount of information available.

- A process existed to follow up on outstanding information.

- Technology is used to reduce manual work, except as recommended below.

- STC appears to have received, registered and adjudicated claims in a timely manner.

- Certain departmental objectives appear to be more aggressive compared to the community surveyed.

- It appears that STC has an adequate level of staff to meet sector targets on a consistent basis. It is interesting to note that STC has not consistently met the corporate target of "Days to First Pay" as measured from the date of accident. STC has made considerable progress in their Days to First Pay statistic over the last number of years and are now approaching the corporate target in this area. We also noted that no other WCB that responded to the survey is measuring from the date of accident.

Audit Criteria

The Audit Criteria used in our evaluation was agreed with management to be the following:

- STC should have adequate staff for the intake function for individual Claims Information Representatives ("CIRs") to meet their defined staff performance measures and for the Claim Intake Centre ("CIC") to meet its defined performance measures in regards to timeliness.

- STC should have adequate staff for the Adjudication function for individual Adjudicators to meet their defined staff performance measures and for the Adjudication department to meet its defined performance measures in regards to timeliness.

- STC should have appropriate performance measures in place to measure the efficiency of the intake and adjudication functions.

- STC should structure the intake and adjudication processes to minimize the number of handoffs.

- STC should distribute workload equitably across the staff in the CIC and Adjudication departments.

- STC should adjudicate claims when an appropriate amount of information has been received.

- STC should have a process to follow up on outstanding claimant information.

- STC should use technology to reduce manual work.

Our Findings

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

Intake and Adjudication Performance Measures

We confirmed that staff's ability to meet their individual performance objectives meets the definition of timeliness as desired by WCB. We observed from staff Performance and Development ("P&D") Forms and confirmed with management that there are time related performance measures for staff.

We checked staff's ability to meet certain individual performance measures for the Intake function by examining a sample of individual claim files. We noted the following:

Intake Performance Measures for CIRs	What We Found
Were claim files created within 24 hours of receipt of information?	39 of 45 claim files were created within 24 hours of the receipt of the information. We discussed this finding with the respective CIRs and found their rationale for not meeting this performance objective to be plausible. Performance objectives are measured at the departmental level.
For no time loss claims, was a decision made by CIR?	Our sample of 45 claims examined included 21 no time loss claims. The CIRs made the decision on 10 of these claims. In the other 11 claims examined, we noted that the decision was made by the Adjudicator. We discussed this finding with the respective CIRs and found their rationale for not meeting this performance objective to be plausible. Performance objectives are measured at the departmental level.
Did the CIR capture or collect all required information, if possible?	45 claims examined appeared to have all required information to set up the respective claim in CIS.

We checked staff's ability to meet certain individual performance measures for the Adjudication function by examining a sample of individual claim files. We noted the following:

Adjudication Performance Measures for Adjudicators	What we Found
Were clients provided with notification of all relevant expectations and entitlements for time loss claims – 85% of the time?	Our sample of 45 claims examined included 22 time loss claims. 18 of these claim files had evidence (e.g. a letter sent to the worker was in the file) that relevant expectations and entitlements were provided to the injured worker. This represents approximately 82% of the files

Adjudication Performance Measures for Adjudicators	What we Found
	examined.
	In the other 4 claims examined there was no evidence maintained of this communication. We discussed this finding with the respective adjudicators and found their rationale for not meeting this performance objective to be plausible.
Was initial contact made with clients within 5 working days (from claim creation date) for traumatic time loss injuries?	Our sample of 45 claims examined included 12 traumatic time loss injury claims. Initial contact was made with clients within 5 working days on 10 of these claims.
	In the other 2 claims examined, we noted that the contact was made subsequent to the 5 day period. We discussed this finding with the respective adjudicators and found their rationale for not meeting this performance objective to be plausible.
Was initial contact made with clients within 8 working days (from claim creation date) for cumulative injuries?	Our sample of 45 claims examined included 12 cumulative injury claims. Initial contact was made with clients within 8 working days on 10 of these claims.
	In the other 2 claims examined we noted that the contact was made subsequent to the 8 day period. We discussed this finding with the respective adjudicators and found their rationale for not meeting this performance objective to be plausible.
Did any task take longer than 7 calendar days?	Of the 45 claim files examined, 8 claim files contained tasks that were longer than 7 calendar days.
	In the other 8 claims examined, we noted that tasks were completed shortly after 7 calendar days. We discussed this finding with the respective adjudicators and found their rationale for not meeting this performance objective to be plausible.

In addition to the above, individual CIRs and Adjudicators are evaluated based on 95% compliance with telephone guidelines (e.g. change messages on a daily basis, make reference to availability and return

phone calls by the end of the business day). We observed that the WCB Service Quality department performed an audit on STC's compliance with telephone voice mail standards in December 2010 with favourable results. We did not test this performance measure as part of this audit.

Performance objectives for STCs are assessed both at individual staff and departmental levels, as applicable. We understand that STC performance measures are not evaluated based on individual claim file basis and that there may be valid reasons for not having performance measures on an individual claim file basis, as noted above. In our view, there were no significant matters identified in our review of individual claim files that require reporting.

In addition to examining a sample of individual claim files, we reviewed STC actual performance against its performance objectives at the departmental level in work performed below. We reviewed compliance with the Workers Compensation Act ("WCA") and reviewed staff performance evaluations and targets as part of separate audit objectives.

Timeliness of the CIC Intake Function

We confirmed that departmental time related CIC performance objectives meet the definition of timeliness as desired by WCB. We observed and confirmed that time related performance measures included the following:

- Create claim files accurately within 24 hours of receipt;

- Create an average of 14 claim files per day;

- Receive and manage the average of 10 incoming calls per day;

- Receive and manage the average length of incoming calls to 8 to 12 minutes;

- Phone in "not ready mode" not more than 11% of the time; and

- Acceptance of 50% of no time loss claims that are offered for acceptance, within defined parameters.

We report the following data as received from WCB:

See Appendix D – "Exhibit 1: CIR Intake Statistics"

During our review, we noted that data was not readily available to measure the "Mail turnaround in 24 Hours" performance objective. This performance objective is currently not being measured (e.g. there is no date/time stamp upon receipt of mail).

According to this data, it appears that the intake function met certain of its performance objectives, except for the following:

- Phone in "Not Ready Mode" not more than 11% of the time performance objective in 2009 or 2010.

We observed that CIC is meeting the "14 Claims per Day" objective (14.6 files per CIR per day). This observation was further assessed in another audit objective relating to cost of claims and the reasonableness of CIC staff levels.

We observed that the target average length of incoming calls was 8 to 12 minutes as defined in the CIR P&D Form. We heard that statistics on average length of incoming calls is being maintained at a

departmental level, rather than at an individual claim file or employee level. The actual average length of incoming calls to the CIC was 10 minutes for the 12 month period ended October 31, 2010, which met the target. We heard that the CIC has met this target over the past two years.

Timeliness may be affected by two things: 1) higher than anticipated claim volumes; and 2) not having enough CIRs.

During the past three years, there has been a reasonably consistent claim volume, with a noted decrease in claim volumes in the last two years; however, timeliness could be negatively affected by an unexpected increase in claim volumes.

<p align="center">*See Appendix D – "Exhibit 1: CIR Intake Statistics"*</p>

WCB's ability to react to an unexpected spike in volume is constrained by the lead time required to train a CIR; there is a formal resource model in place to plan staff levels, although the model was last used in 2009. We observed that turnover in CIC is low. Ten of the thirteen staff members have been at CIC since 2008. The duration required for training a CIR is shorter than for adjudication. CIRs are usually hired internally. The entire trial period of a CIR is three months. Management represented that CIRs are usually functioning well within six weeks.

Timeliness of the Adjudication Function

We assume that meeting the Adjudicator time related performance objectives of the department meets the definition of timeliness as desired by WCB.   We observed and confirmed that time related performance measures included the following:

- Days to First Pay; and
- Number of Unadjudicated Claims.

During our review, we noted that there is a discrepancy between the corporate objective of "Days to First Pay" and performance objectives established at the sector level. The corporate objective for days to first pay is "70% of claims in 14 days" and the sector objectives are defined as noted below. Based on information received from WCB, we have compared the actual results against the objectives in each of the last three years:

<p align="center">*See Appendix D – "Exhibit 2: STC Days to First Pay"*</p>

According to this data, the Adjudication process is meeting their performance targets for the sector regarding Days to First Pay.

During the past three years, there has been a reasonably consistent claim volume, with a noted decrease in volume in the last couple of years. We noted the Adjudicators already appear to be at their capacity based on the budgeted number of adjudicators, the "Rule of Thumb" for the number of claims per Adjudicator and the actual number of claims received in 2010. As a result, we believe that timeliness could be negatively affected by an unexpected increase in claim volumes.

<p align="center">*See Appendix D – "Exhibit 3: Adjudication Capacity"*</p>

WCB's ability to react to an unexpected spike in volume is constrained by the lead time required to train an adjudicator. There is no formal resource model in place to plan staff; however, a "rule of thumb" based on experience is applied in determining adjudication staff levels (also, see findings in Step 7.5).

We have been informed staff attrition is approximately 25% per year for adjudicators. We observed that there is a methodology to handle staff attrition (e.g. maintaining 24 months of funded training positions and having regular staff trainees during the year on a semi annual training program).

Number of Unadjudicated Claims

We confirmed that meeting the number of unadjudicated claims performance objectives of the department meets the definition of timeliness as desired by WCB.

The STC target for total unadjudicated claims at any time is 650 claims (STC total of 900 claims, including Occupational Disease Unit ("ODU")). We report the following data as received by WCB:

See Appendix D – "Exhibit 4: Unadjudicated Claims"

Based on our review of data received by management, it appears that STC has met its unadjudicated claims target since the first quarter of 2009. This objective was not met in 2008. We confirmed with management that they believe this is a reasonable target. There may be the potential to reduce this target, given that it has been consistently achieved in the last two years (better than target by 8% to 11%). We also noted in our individual interviews with Adjudicators that this target was reasonable and achievable.

Appropriateness of Timeliness Performance Measures

We received the following survey responses: 6 of 12 Canadian WCB responses, 2 Group Life and Health Insurers and 1 Global WCB.

We report the following survey results:

See Appendix B – "Survey Results"

We have incorporated our observations from the survey in relevant sections of this report.

Based on our review of the survey results, we have the following comments in regards to performance:

- WCB is in line for registering a claim within 24 hours;
- WCB appears to be more aggressive in regards to Days to First Pay as measurement starts at the date of accident; and
- Manitoba WCB is the only organization that responded to the survey that measures from the date of accident. It appears that other organizations have this data, but do not want to use it as a primary measure for performance tracking.

Although, our scope ended at the adjudication decision, relevant performance measures in the industry were around Days to First Pay, and not to the date of adjudication decision.

In addition to the survey results, we noted the following:

- There do not appear to be performance targets for monitoring workload for outbound calls made by CIRs. We understand that the nature of outbound calls is significantly different that inbound calls. A significant amount of staff time may be required when they have difficulty in contacting individual customers. We noted that the volume of outbound phone calls exceeded the volume of inbound phone calls in each of the last three years.
- Targets are set at the departmental level for CIC as reflected in P&D Forms for CIC supervisors.
- During our interviews, Adjudicators acknowledged that the difference between the "date of the accident" and the "date of notification" was beyond their control.

Handoff of Information

We observed the "real time" work of a CIR and an Adjudicator as they processed claims. We observed process documents in place. Based on our work, we noted that the workflow is automated and information is stored electronically. Electronic claims files minimize the physical movement of paper. We heard that using electronic claim files significantly reduced overall claim processing time and are generally an efficient way to handle claims.

During our work, we noted that there is an unnecessary handoff between the Records Unit and the Claim Information Centre ("CIC") for mail and fax. Mail for existing claims may be delivered to the Benefit Information Representative ("BIRs") only to be returned to the Records Unit, resulting in a delay of information to the Adjudicator.

All claims when created lead automatically to a task being created for an adjudicator. However, this task is cancelled in the case of "Complexity A" claims if the claim is accepted in the CIC.

Workload Distribution

Mail/Fax is generally distributed evenly among Intake staff. Phone calls are automatically routed based on availability of intake staff members.

CIRs place their phone in "not ready mode" to manage their individual workload. There is a risk that some CIRs may use the "not ready mode" more than others, although we heard no indication that this was happening. We noted that the CIC did not meet their performance objective related to "Not Ready Mode".

Irrespective of the intake method, the Claims Intake System ("CIS") automatically assigns claims to adjudicators.

Sectors are organized based on industry and employers. We were told that management allocated employers in that industry group to adjudicators based on claim volumes by industry sector.

In addition to volume of claims, complexity of claim is also considered in the allocation of workload to adjudicators.

The CIC appears to be an effective and efficient way to handle workload distribution for registering claims. Based on survey results, we noted that several other WCBs have not yet adopted this structure.

This appears to be a leading practice that Manitoba WCB may want to discuss with other WCBs across the country.

Mail/Fax Basket Cleared

The Mail/Fax in-basket is cleared several times per day.

During our review, we observed that BIRs who are today responsible for checking new mail for existing claims are not always timely in clearing their in-basket. We observed occasions when the unnumbered mail basket was not cleared for a period of time and that the CIR had to assist with sorting these documents. We also observed an instance when mail was left in the basket overnight. Having mail stay in the in-basket delays CIRs from receiving the new claim reports. Delays in CIRs receiving new mail could result in STC not meeting its performance objectives.

Adjudicate Based on Appropriate Amount of Information

The time lag between the receipt of initial information and the third report (e.g. health care report) on the samples tested (Complexity B only) was found to be less than 6 days for 12 Complexity B files that we checked. We were told that the third report is usually received within this timeframe for most files.

In our interviews, adjudicators indicated that they would only adjudicate a claim when they are comfortable that enough information was received. The decision could be based on two reports if the information on both was consistent and/or information was verbally confirmed with the source of the outstanding report.

Process to Follow up Outstanding Claimant Information (Supervisors and Manager Focus)

There is an objective in the Performance and Development Form regarding requirements for staff follow-up of information - staff must "Ensure no task is older than 7 days". In addition to this staff performance measure, we also noted that the application system used by Adjudicators ("Emerge") defines tasks that drive follow-up actions for Adjudicators. We confirmed with Supervisors that individual staff are evaluated giving consideration to this objective. We observed that Supervisors appear knowledgeable regarding the status of outstanding tasks and the reasons for any delays.

Process to Follow-up on Outstanding Claimant Information (Adjudicator Focus)

We observed the E merge system flagging outstanding tasks in a different colour (pink), prompting action of the Adjudicator to carry out the task. In our interviews, we noted that staff were knowledgeable about this follow-up objective. During our observation of the process and testing of a sample of claim files, we noted that generally tasks are completed within the 7 day objective. In cases where tasks took longer than 7 days, we heard reasonable explanations. Certain staff commented on knowing their required actions by "managing the pink", which is the way tasks greater than 7 days are flagged.

Information Technology ("IT") is Used Efficiently

We observed that the Emerge application acts as a data collection tool for the electronic claim file and as a task scheduler for upcoming actions on the file. In our view, the creation of the eFile has streamlined many of the processes such as managing the movement of documents, tracking outstanding tasks and it allows easier movement of individual files between adjudicators.

During our work, we noted the following issues regarding the efficient use of IT:

- Faxes are printed and then scanned resulting in an inefficient use of time and resources (i.e. paper).

- If a call is received at the same time a CIR is entering a paper claim, the paper claim data is lost and must be re-entered, resulting in an inefficient use of time.

- Although beyond the scope of our audit, we noted that adjudicators have to enter prior claim history into the Emerge system upon transfer of the file to case management, resulting in an inefficient use of time.

- There is a high volume of low risk Complexity A claims that are processed manually. Based on the survey responses, some other WCBs are accepting claims electronically.

We also reviewed technology as part of criteria examined under other audit objectives.

Our Recommendations and Management Responses

We provide the following recommendations and management responses:

PwC Recommendations	WCB Management Response
1.1 We recommend that STC develop a process to measure "Mail Processing Turnaround Time within 24 Hours of Receipt.	The WCB agrees with the recommendation. We will implement a process to measure mail processing turnaround time. We will have this recommendation implemented by Q4, 2011.
1.2 We recommend that STC investigate amending its performance measure for "Days to First Pay" to be based on the "Date of Notification". We recognize the importance of the date of accident from the perspective of the injured worker; however, performance measures for individuals should be based on factors under the control of the employee in order to be effective and motivational. This recommendation should be considered in conjunction with our separate recommendation in regards to aligning this performance measure with corporate objectives.	The WCB agrees with this recommendation. The WCB tracks the "Days to First Pay" measure as a reasonable approach to pursuing our goal of paying workers promptly. We also track "Date of Notification" as a departmental statistic. We believe that in most cases Adjudicators can play a valuable, pro-active role in soliciting information from our stakeholders that will facilitate quicker decisions and earlier payment on claims. We believe that our focus on the days to first pay statistic promotes this pro-active approach. However, we also agree that the Date to Notification is an important statistic for the

PwC Recommendations	WCB Management Response
	department and for our adjudication staff.
	It was identified in the audit that there is a need to better educate adjudication staff on the intent of both statistics.
	We'll begin our work on this recommendation by taking action to ensure that our adjudication staff understand the intent of pursuing our corporate statistical goals in this area and how their work relates to it.
	We will take action around educating our staff on these statistics by Q3, 2011.
1.3 We recommend that STC move the existing claim check on incoming mail to the records unit. We understand that STC has already begun to implement this recommendation.	The WCB was presented with this issue during the audit process and has implemented this recommendation.
1.4 We recommend that WCB investigate the use of Electronic Data Interchange ("EDI") in regards to pharmacy point of purchase electronic drug claim submissions. Intake of electronic drug claim submissions could be streamlined through EDI and a rules engine, resulting in faster and more consistent adjudication, likely at a lower cost of administration. In particular, other provinces (e.g. Ontario, PEI and others) are already accepting drug claims through EDI submissions.	The WCB agrees with this recommendation. We will investigate the costs and benefits of the use of EDI for electronic drug claim submissions. We will involve our Information Technology Department and other areas of the organization in this investigation. We will complete this investigation by Q2, 2012.
1.5 We recommend that WCB develop a business case to investigate eFax technology to save time in printing and rescanning documents.	The WCB agrees with this recommendation and already has plans to implement this recommendation by the end of 2011.

2. Did STC have processes in place to receive and record accurate and complete claim information, resulting in a supportable adjudication decision?

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:

- CIRs appear to enter data received by Fax, Mail, Web and Phone accurately.
- Adjudicators do not follow a checklist for claims completeness.
- Although not every phone call is recorded, information is still collected and appears to be entered accurately.
- Workflow in CIS has an element of a checklist of things that must be in the claim file.
- There is a risk that documents are lost between receipt in the mailroom, checking and scanning.
- CIS appears to contain all required scripts, except as noted below.
- CIS scripts appear to be understandable.
- WCB has an internal quality control process over claim files that is in effect (e.g. semi annual claim file audits).
- CIRs and Adjudicators appear to have received appropriate base-line training.
- Knowledge is communicated within STC by various means that include newsletters, intranet, staff meetings, e-mails and other.
- An escalation process is in place and followed for significant issues.

Audit Criteria

The Audit Criteria used in our evaluation was agreed with management to be the following:
- CIRs should enter data received by Fax, Mail, Web and Phone accurately.
- STC should sequentially log and monitor the receipt of paper documents.
- STC should record 100% of phone calls received.
- Adjudicators should have a method to determine that a claim file is complete.
- CIS workflow should contain all necessary scripts.
- CIS scripts should be understandable by the injured worker.
- Claims should be adjudicated in a consistent manner between adjudicators and sectors.
- Each CIR and Adjudicator should receive appropriate training.
- Knowledge should be widely communicated and shared within STC.
- An escalation process should be in place and followed for significant issues.
- STC should have an internal monitoring process in place over STC claims processing.

Our Findings

Data Entry by Fax, Mail, Web and Phone is Accurate

During our testing of a sample of claim files, we checked the accuracy of the claim file data and noted the following:

- the data entered into CIS matched the data in the electronic documents that had been scanned by the records unit and attached to the claims file;

- the claim type and complexity was identified and recorded in CIS correctly;

- information received was complete to set up the claim;

- information received was complete to adjudicate a claim;

- information in the scanned reports was the same as recorded in CIS;

- required reports were included in the claim file; and

- claim files appeared to be complete.

Our purpose for conducting tests of claim files was primarily to validate that the claims intake and adjudication process was sound, so that the results generated by the file audit process can be viewed as credible. The purpose was not to conclude on accuracy of the specific file audits.

In addition to testing a sample of claim files, we also performed the following activities:

- verified that tombstone data from the web is automatically updated to CIS; and

- observed and listened to CIRs take phone calls and verified data entry to CIS.

During our work, we found no instances of incorrect data entries.

There is no requirement for an independent check of data entry to CIS on an on-going basis. This risk is mitigated by the fact that all claims are assigned to an adjudicator who reviews the claim file.

Adjudicators Follow a Checklist to Determine File is Complete

During our review, we noted that there is no checklist for Adjudicators to follow to determine that a file is complete.

Phone Calls are Recorded

During our review, we noted WCB has the capability to record phone calls. We were told that the decision to record phone calls was at the discretion of CIC Management. Phone calls are not automatically recorded.

Receipt of Faxes and Mail is Sequentially Logged

During our review, we noted that faxes and mail received are date stamped in the records area, but are not sequentially logged. There is a risk that faxes and mail received goes missing without being detected.

Completeness of CIS Scripts

CIS functional requirements no longer exist. The Information Technology department does not have documentation on hand to support the CIS application or describe how the scripts were populated in the system.

During our review, we read the CIS scripts and considered various scenarios that may occur. We also observed the CIS workflow and noted that it contained both checkboxes and required fields as a means to drive the CIS scripts. We checked numerous combinations and noted that appropriate scripts appeared. During our review, we noted that there was no script for fatality claims.

Approval Process for External Communications

We observed that WCB has a Communications department. We heard that when the CIS system was first built in the early 2000s, an individual from the Communications department was on the CIS project team. During our interviews, we heard that the Director of STC previously reviewed the CIS scripts and is involved in reviewing changes to CIS scripts, in relation to CIS script content.

With respect to STC's general process for script approval and maintenance, we were advised of the following:

- the Communications department has been involved in the creation of new scripts;
- STC management solicits input from representatives of affected stakeholders such as labour organizations when creating the scripts;
- on occasion, when required, STC management seeks legal advice on the wording of certain scripts; and
- internal subject matter "experts" are involved with certain communication materials (e.g. pamphlets, fact sheets) related to their area of specialty.

We confirmed with the Communications department and the Legal department that they only review CIS scripts upon request.

Understandability of Scripts

Understandability of communications out of the CIC does not appear to be an issue with WCB stakeholders:

- in our interviews, we were told that employer feedback to WCB staff has been positive in regards to the CIC and interviewees did not identify any areas of concern in regards to their communications with injured workers; and

- we noted that the overall quarterly customer satisfaction survey results indicated a high level of customer satisfaction with average customer satisfaction ratings of over 8 out of 10.

We noted the following:

1) there has not been a baseline review of all scripts regarding clarity of communications to stakeholders; and

2) there are no formal policies, procedures or guidelines in place that require certain reviews upon changes in scripts.

It should also be noted that during our interviews, we were told that the WCB has not received any direct negative feedback regarding the clarity of information communicated to clients by phone.

Consistency Between Adjudicators and Sectors

The Emerge application acts as a data collection tool for the electronic claim file and as a task scheduler for upcoming actions on the file. The Emerge application does not support adjudicators in determining the "next step" on a claim or the overall claim process.

We observed an individual adjudicator using "self created" templates to help manage the claim process and aid in asking appropriate questions. The template was created based on the adjudicator's personal knowledge, training and experience. We were told that the "self created" templates were distributed to other adjudicators to aid them in managing the claim process. It was unclear whether this template was reviewed, approved or is accepted as a common practice by management. It's also unclear whether the templates capture the right amount of information (e.g. Is too much information being collected, resulting in staff inefficiencies?).

There is no checklist or claim process workflow in Emerge to support consistency in process and claim completion between Adjudicators and sectors. Based on the survey responses, several other WCBs use checklists to support the adjudication process.

In addition to our observations regarding Emerge, we noted the following:

- Adjudicators rely on their knowledge, training and experience for consistency in adjudication;
- all STC Adjudicators participate in training programs on adjudication;
- claim file audits are conducted by Supervisors on every Adjudicator every six months and they review audit test results with the Adjudicator for training and consistency purposes; and
- knowledge management is readily available to Adjudicators.

During our claim file audits, we noted that files were generally completed in a consistent manner.

CIR and Adjudicator Training

We read and observed a sample of adjudicator training material, including the upcoming January 2011 training course materials.

We noted that training material includes information such as the following:

- legislative policy references;

- assessment of various injury types;

- information on how to assess claims;

- systems training materials; and

- sample decision letters.

We were told that Adjudicator training is approximately eight weeks in duration and is offered three times a year (e.g. January, May and September). Training sessions are led by a training team with years of experience in adjudication.

It appears that the training material is comprehensive. Training includes actual work by participants on examples of claim files.

In addition to training materials, we noted that "Routine Time Loss Claim Adjudication" flowcharts exist that outline high level activities to be performed in the adjudication of claims.

Training material provides a sound baseline from which Adjudicators can draw upon in their adjudication of claims.

In conducting our work, we reviewed the list of current Adjudicators and compared the listing to a training attendance list. We were able to confirm that all but one Adjudicator had attended the eight-week Adjudicator training course. We identified one Adjudicator who had not attended the course but were able to confirm that she became an Adjudicator prior to the introduction of the program.

The duration for training a CIR is shorter than for adjudication. CIRs are usually hired internally. The entire trial period of a CIR is three months, but most CIRs are functioning well within six weeks. We read and observed a sample of CIR training in the "CIR Training Procedures Manual". We observed that CIS activities drive the CIR workflow, so less training, education and experience is required.

Knowledge Management Activities are in Place and Being Used

An open relationship between supervisory staff and employees was observed.

We observed that Emerge has a help file for specific processes that provides step by step instructions and details for related activities.

The Intranet and shared network drive (the "U Drive") contains information on policies, claim procedures, training documents, legal information and answers to Frequently Asked Questions ("FAQs").

We did not observe a repository of claim decision letters.

We observed that corporate oriented information (i.e. opening of new Brandon Office) is issued to WCB staff via monthly newsletters (i.e. Board Talk).

Legal matters are communicated through an E-mail distribution list (i.e. the "Legal Distribution List") and posted on the "U" Drive and Intranet.

Staff meetings are held on a regular (i.e. approximately every six weeks) basis in Adjudication. However, we noted that regular meetings for CIRs have not been held in CIC, partially due to the nature of call centre work (i.e. shifts, people needed on the floor to answer phones during regular business hours).

Escalation Policies and Procedures and Protocols

During our interviews, we were consistently told at every level that each person knew who to contact and felt comfortable contacting that person in the event of an issue that they could not resolve on their own. We observed that there are no formalized escalation requirements for the receive, register and adjudicate processes.

Internal Monitoring Process

We observed that STC Supervisors perform a semi-annual audit of 35 claim files for each Adjudicator to ensure quality of files, drive consistency in adjudication and provide training. We obtained a schedule of claim file audits that had been conducted for 2009 and 2010. During our review, we noted certain instances where the schedule was not updated. Upon further investigation we noted that all Adjudicators were audited by a Supervisor as required.

We tested a sample of Claim File Audits performed by Supervisors and noted the following:

- a standard checklist of audit steps was used for each audit; and
- claim file audit findings were documented in a Summary Report prepared for each audit.

In conducting our reviews, we noted minor inconsistencies in how the Supervisor audit checklist was completed and the level of information included in the documentation. That said, we did observe evidence to provide comfort that the file was audited in an appropriate manner. We noted that file audits conducted by department Supervisors are not independent as the Supervisors are from the same department. Management indicated there is a rationale for using Supervisors to perform claim file audits as they are current with claims adjudication process given their role in claims adjudication and they are in a good position to ensure that common findings and recommendations from the audits are embedded in department wide initiatives and training. We saw no indication that claim file audits were not being performed with an objective perspective.

In addition to the internal review process conducted by Supervisors, we noted that the WCB Service Quality department performed a review of claim files in 2009 as a pilot project. At the time of the audit, an annual cyclical audit of STC was not being performed by the WCB Service Quality Department. Subsequently, we heard that the WCB Quality Service department intends to include STC in its annually cyclical audits going forward. We observed the following conclusion in the report: "STC is clearly exceeding quality expectations".

We observed that Internal Audit (IA) had performed testing in STC in 2006. We reviewed the resulting IA report and confirmed that recommendations made in that report have been subsequently addressed by comment or action. We noted that the role of IA is entity wide across WCB. The WCB Service Quality department operates independently from IA. Its quality assurance role complements the work being performed by IA.

The Review Office is an office in WCB that accepts reviews and decides on claims brought for reconsideration. As further evidence of the quality of claim files, we checked the following data from the claims office (i.e. review office):

See Appendix D – "Exhibit 5: Review Office Statistics"

We noted that the total number of claim decisions rescinded and/or varied as a percentage of claims sent to the review office was 30%, 22% and 26% in 2010, 2009 and 2008 respectively. We also noted that the total number of claim decisions rescinded and/or varied over total claims for the past three years is negligible at around 0.2% of total claims as another indicator of quality adjudication decisions.

Our Recommendations and Management Responses

We provide the following recommendations and management responses:

PwC Recommendations	WCB Management Response
2.1 We recommend that all telephone calls should be recorded, logged and archived in accordance with the WCB document retention strategy.	The WCB agrees with this recommendation. We will pursue the recommendation by first investigating best practices in this area with due consideration to the cost of implementing this recommendation. While we currently record some telephone calls, there may be value in either recording all calls or a greater number than we do now. We anticipate implementing changes in this area to bring us in line with best practices by Q4, 2011.
2.2 We recommend that the receipt of faxes and mail should be sequentially logged.	The WCB agrees with this recommendation and anticipates implementing this by Q3, 2011.
2.3 We recommend that STC conduct a baseline review of all CIS scripts and develop a formal and documented review and approval process for changes in CIS scripts going forward. In addition, we recommend that STC inventory all other forms of external communications and determine the most appropriate and required levels of review and approvals required prior to issuance. This review and approval process should include formalized consultation requirements with relevant stakeholders (e.g. legal, communications, content owner, IT).	The WCB agrees with this recommendation. The WCB currently employs a structured process for the review and approval of standard external communications (pamphlets, handbooks, etc). We will ensure immediately that the type of review conducted annually with the "scripts" for those communications is extended to the CIS scripts.
2.4 We recommend that the WCB Service Quality department incorporate STC in its annual cyclical audit plan. Supervisor Claim File audits are not performed by an independent third party.	The WCB agrees with this recommendation. The WCB will ensure that in 2011 the review of STC claims is incorporated into the annual cyclical reviews completed by our Service Quality Department. Supervisory reviews in STC will also

PwC Recommendations	WCB Management Response
	continue as they support ongoing performance measurement and performance and development work in the STC area.
2.5 We recommend that a repository of claim decision letters organized around types of claims be created. We did note that sample decision letters are distributed during training.	The WCB agrees with this recommendation. The WCB has a repository of claim decision letters in the EMERGE system to assist Adjudicators. We will supplement this with further sample decision letters that we will organize around types of claims and then place in a directory for use by Adjudicators. We will create this directory by December 31, 2011.
2.6 We recommend that WCB investigate enhancing the workflow in Emerge to drive consistency and completeness of the file in managing different claim scenarios. We recognize that each claim will be different in nature and that adjudicators will need to exercise good judgement based on education, training and experience. However, if a baseline amount of required information to assess a claim can be defined, as evidenced by the "self-created" templates noted above, this should be incorporated into the Emerge workflow, resulting in more consistency in adjudication. Workflow in Emerge would ultimately act as a smart iterative electronic checklist.	The WCB agrees with this recommendation. The WCB will work with our Business Process Renewal and Information Technology areas to investigate ways in which we might enhance workflow through the EMERGE system. We anticipate beginning this investigation by Q2, 2012.
2.7 We recommend that STC provide regular and on-going sensitivity training to CIRs and potentially Adjudicators as they are in a client facing role.	The WCB agrees with this recommendation. The WCB currently provides new staff with customer service training which includes sensitivity training. This is supplemented with periodic training for staff relative to aspects of customer service. STC management will ensure that staff in our STC area are provided with ongoing customer service training.

3. Did WCB and/or STC have structures and processes in place to maintain and monitor STC compliance with the WCA?

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:

- There appears to be internal WCB policies in place that are documented and understood.
- There are internal monitoring and file audit processes in place that consider compliance with the WCA in testing.
- Claims are adjudicated consistent with the WCA.
- It appears that accepted claims meet the relevant sections of the WCA.

Audit Criteria

The Audit Criteria used in our evaluation was agreed with management to be the following:
- WCB should have policies in place that are documented and understood by STC staff.
- WCB should have an internal monitoring process in place over STC claims processing.
- Claims should meet the relevant sections of the WCA to be accepted.

Our Findings

Internal WCB Policies

We observed that WCB Policies and Procedures are available to all WCB staff on the Intranet site.   We noted that policies and/or procedures listed on the Intranet site have a link to underlying documents and checked the links on a sample basis. We heard that the Intranet site allows for "ready access" to these documents by STC staff, when they are needed.

Policies and procedures appear to be in place for key areas of responsibility and where uncertainty may exist. We observed that policies and/or procedures are in place and documented in areas that include adjudication, elective rights, definition of an accident, recurrences and other.

During our interviews, we noted that both CIRs and Adjudicators appear to understand where to find relevant policies and procedure documents. During our interviews and other work performed, staff appeared to understand STC policies and procedures and no reportable matters were identified.

We also noted that policies and procedures and other related guidelines were included in both CIR and Adjudicator training materials that we reviewed. CIR and Adjudicator training were reviewed as part of another audit objective.

Internal Monitoring Processes

STC has internal monitoring processes in place that include Supervisor Claim File Audits that are performed on a semi-annual basis. In addition, WCB has internal monitoring processes in place that include work by Internal Audit and the Service Quality Assurance department. These monitoring processes assist in providing management comfort that STC processes, procedures and internal controls are in place and effective. Semi-annual Supervisor Claim File Audits and Internal Audit and Service Quality Assurance department involvement with STC was reviewed as part of another audit objective.

We confirmed with management that they regularly monitor changes to the WCA.

In addition to internal monitoring processes, STC also provides CIR and Adjudicator training that includes information regarding compliance with the WCA. CIR and Adjudicator training was reviewed as part of another audit objective.

Compliance with the WCA

We confirmed the relevant sections of the WCA with WCB management to be the following:

- Section 4(1) Compensation payable out of accident fund (part in scope related to "injury by accident arising out of and in the course of employment");

- Section 4(5) Presumption – if accident arises out of employment then it occurs in the course of employment and vice versa unless the contrary is proven;

- Section 17(1) Notice of Accident – worker to give notice to employer as soon as practicable but not later than 30 days after the accident;

- Section 17(2) Contents of notice;

- Section 17 (5) Failure to give notice is a bar to any claim;

- Section 18 (1) Employer to report accident within 5 business days;

- Section 18(2) Contents of report and filing;

- Section 18 (4) Offence and administrative penalty if employer fails to report accident; and

- Section 20 Healthcare providers to provide reports in respect of injury.

During our sample testing of claim files, we did not identify any claims that failed to meet these relevant sections of the WCA. The claim files examined appeared to meet the relevant sections of the WCA as accepted. In addition, during our review of a sample of Supervisor File Audits, we did not identify any matters related to compliance with the WCA to report.

Supervisor Claim File Audits, Internal Audit STC activities, Service Quality Assurance department STC activities, CIR and Adjudicator training and other activities that contribute to compliance were reviewed as part of other audit objectives.

Our Recommendations and Management Responses

No recommendations were identified.

4. Did STC have structures and processes in place to process its volume of claims received with due regard for cost and efficiency?

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 variances on a monthly basis.
- STC has an adequate level of staff to meet its intake function performance measures as defined in the P&D.
- STC has an adequate level of staff to meet its Adjudication function performance measures as defined in the P&D.
- It appears that the outsourcing of the language service was cost effective.

We do not believe that there is capacity in CIC to take on more claims. We also do not believe there is capacity in the Adjudication area.

Audit Criteria

The Audit Criteria used in our evaluation was agreed with management to be the following:

- Budgets should be prepared and approved on an annual basis and should be monitored for variances on a monthly basis.
- STC should have adequate staff for the intake function for individual CIRs to meet their defined staff performance measures and for the CIC department to meet its defined performance measures.
- WCB should have adequate staff for the adjudication function for individual Adjudicators to meet their defined staff performance measures and for the Adjudication department to meet its defined performance measures.
- Outsourcing arrangements should be cost effective.

Our Findings

STC Budget and Costs

WCB has a formalized budget, approval and monitoring process in place. Budgets are created and approved on an annual basis. STC provides its budget requests and related Business Case Proposals to senior management. The most significant portion of the STC budget is salary costs. The Investment and Finance Committee reviews the budget and recommends approval to the Board of WCB who provides final approval. We observed evidence of the 2010 approved budget was disseminated to RACS' management. We also reviewed a sample of Business Case Proposals noting that business cases

include relevant decision making information such as the objective and expected results and described the pros and cons of the request.

During our review, we observed that management maintains a YTD Actual to Budget variance report. We also observed that a more detailed schedule is maintained on a monthly basis. We discussed these reports with management and noted that analysis to budget was being prepared on a regular basis. The budgeting processes and follow-up appears to be sound. We considered budget cost per claim in work performed below.

Timeliness of the Intake and Adjudication Functions

Timeliness of the Intake and Adjudication Functions were examined as part of another audit objective. In this regard, it was concluded that STC received, registered and adjudicated claims in a timely manner in accordance with departmental objectives outlined in Performance and Development ("P&D") forms.

Number of CIR and Adjudication Staff

Market rates for WCB staff wages for CIRs and Adjudicators are determined by the WCB Collective Agreement in place. We did not complete a compensation review of WCB wages as this was out of scope for the purposes of this audit.

Claim Information Representatives

We report the following data as received by the client:

See Appendix D – "Exhibit 1: CIR Intake Statistics"

We heard that the target number of CIRs as contemplated in the budget is determined using the CIR resource model as a baseline. The resource model was based on a time and motion study in 2002.

By calculation, it appears that the CIC is processing 14.6 claims per day per CIR versus the 14 claims per day target per CIR as defined in P&D Forms.

We understand that the number of claims entered is primarily dependent upon the volume of claims received. Based on the data received, we noted that the volume of claims received in 2010 has been slightly higher than budgeted capacity. Based on this data, we believe current staffing levels are reasonable. It appears that the CIC does not have the capacity to take on more claims with its current staff levels.

Management may determine this to be a reasonable staff level to maintain to deal with peaks in volume that may occur during the year. In addition to seasonal peaks in volume, we heard that the entry of claims is also dependent upon the timing of the calls during employee shift work (i.e. there are two work shifts). We heard that certain shifts may require more staff, due to the higher volume of calls received during those times. In addition, we also recognize that additional CIR capacity may be required in the CIC due to its extended hours of operation. We also observed that on occasion, a BIR provides assistance to the CIC, indicating that peak volumes may near capacity.

As noted in another audit objective, CIC performance measures regarding timeliness of intake functions were met during the year. In addition to these performance measures, we noted that the CIC significantly

exceeded their objective regarding accepting "Complexity A" claims. The CIC did not meet their performance objective related to "Not ready Mode", which relates more to workload distribution. We also observed that the CIC has exceeded their inbound phone calls performance objective in each of the last three years.

Adjudication Department

We report the following data as received by the client:

See Appendix D - "Exhibit 2: STC Days to First Pay", "Exhibit 3: Adjudication Capacity", and "Exhibit 4: Unadjudicated Claims"

We heard that the target number of Adjudicators as contemplated in the budget is primarily based on the following two factors: 1) rate of 1,000 to 1,100 claims per year; and 2) anticipated complexity of the claims (e.g. non specific injuries that take longer to adjudicate).

Although STC has achieved sector objectives for "Days to First Pay", they have not met the corporate objective for "Days to First Pay". Furthermore, based on our analysis, we believe that there is little to no capacity remaining in the Adjudication area to handle more claim volume.

We heard that STC takes on summer students to cover staff vacations in the summer.

Cost per Claim
Although we requested information from other WCBs in Canada regarding budget costs, many did not provide this information in their survey responses. In addition, it's difficult to compare costs per claim due to the different ways in which costs and/or claim data may be accumulated There are also regional differences in costs. In that regard, we cannot make a finding in this regard. We did note that the cost per claim at STC has increased an average of 2% per year in the last three years.

Outsourcing Arrangements

We confirmed with management that the only STC outsourcing arrangement relates to the outsourcing of language services for calls and documentation received in languages other than English.

During our interviews we heard that CIRs and Adjudicators spoke highly of the language services provided by Language Line Services. We heard that this service was very responsive and a reliable means of quickly dealing with non English phone calls. Based on the survey responses, several other WCBs outsource their language requirements.

We observed that phone calls are often received in numerous languages that include Mandarin, Spanish, Cantonese, Russian, Tagalog, German, French, Punjabi, Portuguese, Ukrainian and other.   We agree that it would be difficult and likely infeasible to maintain staff competent in the reading and writing of all foreign languages on staff at WCB. We observed that the monthly cost of the outside service provider is approximately $3,000, which translates to approximately $36,000 per year in costs for service. This is not even equivalent to one full FTE position. We did not identify a language service requirement in the WCA.

Our Recommendations and Management Responses

No recommendations were identified.

5. Did WCB have reliable Management Information Systems to support STC intake and adjudication functions?

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 being available 99% of the time during 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.

Audit Criteria

The Audit Criteria used in our evaluation was agreed with management to be the following:
- System should be available 99% of the time from 7:55 to 17:05 evaluated on a rolling 12 month period.
- Disaster Recovery ("DR") plans should be in place, approved and tested.
- Back-up procedures should be followed and monitored.
- Change management procedures should be in place for changes to the applications or interfaces.
- Help Desk services and a service ticket process should be in place.
- User access protocols should be in place.

Our Findings

IT System Availability

We observed that the target for system availability is 99% from 7:55 to 17:05 evaluated on a rolling 12 month period. Based on the survey responses, several other WCBs expect the same level of system availability.

Actual system availability for the past three years has exceeded target as noted:

YTD 2010   99.18%
2009   99.50%
2008   99.10%

We confirmed that system downtime that has occurred at WCB usually relates to minor network, database or application issues. During our interviews and other work performed, we did not identify any concerns over the availability of IT.

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 incidences of downtime are logged through the WCB IT Service Desk.

Disaster Recovery and Business Continuity Plan

We observed that Disaster Recovery Plans ("DRP") exist for both the CIS and Emerge systems. The CIS DRP was updated and approved August 2, 2009. The Emerge DRP was updated and approved September 8, 2010. Neither of the DRPs have been tested.

We also observed that a Business Resiliency Plan ("BRP") exists at a corporate wide level, sectioned by geographic location. The BRP was dated October 1, 2004. There are sub-sections of the BRP specific to STCs. The BRP has not been tested.

Back-up Policies and Procedures

We observed that back-up policies and procedures, specific to CIS and Emerge and WCB corporate databases, exist. We observed that there are monitoring procedures in place to ensure back-up procedures are being performed. Based on a review of a sample of back-up logs for CIS and Emerge, we noted that back-ups were executed nightly.

We heard that there are three Database Administrators ("DBAs") on staff at WCB who know and understand backup procedures enterprise wide. At a minimum, one of these individuals is always available during business hours. DBAs are available from 7:55 to 17:05 on business days.   Back-ups run from 23:00 to 4:00 Monday to Friday. There are no IT staff members on stand-by or on-call while scheduled back-ups are run.

We confirmed that the Service Desk hours of operation are from 07:00 to 22:00. There are no IT staff on-call or stand-by during non-operating hours.

Change Management Policies and Procedures

We confirmed and observed that any changes to the CIS and Emerge applications and interfaces follow a formalized change management process.

During our review, we noted that the change management process is documented and involves IT stakeholders, business stakeholders and has a formal approval at the steering committee level. Based on a review of a sample of changes related to IT enhancement, we observed that the change management process was followed.

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 observed that there is a formal "Request For Service From IT" (i.e. service ticket) process in place to manage incidents. Based on a review of a sample of incidents, we noted that this process was followed.

User IDs and Passwords Restrict Access to CIS and Emerge

We observed that WCB uses Active Directory which enforces unique IDs for each employee. A global password policy is in place based on industry standards. We also observed that both CIS and Emerge follow role based structures.

We noted that functions are assigned by role and different roles are able to execute different functions. We tested various roles and confirmed that restrictions on access were functioning. We validated that the access to the application and systems are up to date.

A formal process is in place for granting and removing employee access rights. During our work, we did not hear of any issues around unauthorized access or breaches to the IT system.

Employer Web Access User Information is Up to Date

A process is in place, whereby to gain access to the web application, an employer must sign an agreement that requires them to keep their user information up to date. This agreement places the onus for updating information on the employer. We observed a copy of this agreement.

Our Recommendations and Management Responses

We provide the following recommendations and management responses:

PwC Recommendations	WCB Management Response
5.1 We recommend that WCB test the Disaster Recovery Plan to ensure it works. A process should be developed to update the DRP at least annually, and when certain organizational or other changes require a plan update.	The WCB agrees with this recommendation. We will update and test the plan by Q3, 2011 and then annually and/or when certain organizational or other changes require a plan update.
5.2 We recommend that WCB update and test the Business Resilience Plan to ensure it works. A process should be developed to update the BRP at least annually, and when certain organizational or other changes require a plan update.	The WCB agrees with this recommendation. We are currently in the process of updating the BRP. We anticipate that the updated will completed in Q2, 2011. Once it is updated, we will test it immediately and then annually and/or when certain organizational or other changes require a plan update.

6. Were STC's strategic outcomes, priorities and performance measures in alignment with WCB's organizational objectives?

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:

- Customer (i.e. Injured Workers) satisfaction appears to be high as STC met its customer satisfaction performance measure in 2009 and 2008.

- Although WCB corporate employee survey results did not meet its performance objectives, it appears that STC obtained a high level of employee satisfaction based on employee surveys in 2009 and 2008.

- It appears that guidelines are in place and understood regarding the assessment of administrative penalties to employers for late filings.

- There appear to be clearly defined roles, responsibilities, authority and accountabilities for STC staff.

- The Corporate objective of 14 days for "Days to First Pay" is not in alignment with the departmental goals broken down by sector. The departmental goal broken by sector does not sum up to achieve the corporate objective.

- The goal for unadjudicated claims is in alignment with the corporate objective.

- We also noted that the Injured Worker Satisfaction performance objective for STC exceeds the corporate objective. We were informed that the corporate goal is a composite goal that relies on a higher departmental goal in STC.

- The goal for employee satisfaction is in alignment with the corporate objective.

Audit Criteria

The Audit Criteria used in our evaluation was agreed with management to be the following:
- Customer satisfaction should be high, as defined by STC meeting its Customer Satisfaction Survey performance objectives.

- Employee satisfaction should be high, as defined by STC meeting its Employee Satisfaction Survey performance objectives.

- Guidelines should be in place and understood by STC staff in regards to the assessment of administrative penalties for late employer filings.

- Roles, responsibilities, authority and accountability should be defined for STC staff.

- There should be alignment between organizational outcomes and departmental outcomes.

- STC departmental and staff performance measures should be reasonable and achievable.

Our Findings

Customer Satisfaction Survey Results

We confirmed that Customer Satisfaction Surveys have been issued to injured workers on a quarterly basis during the past three years.

We observed that the Customer Satisfaction Survey is broken down into four main areas: 1) Overall satisfaction of case handling; 2) Overall satisfaction with Adjudicator; 3) Speed of Service; and 4) Personal Attention to You. Customer Satisfaction Surveys are also broken down by individual sector.

We were told that the initial Customer Satisfaction Survey target was 8.0 measured on a quarterly basis in 2008 and 2009. Subsequently, we confirmed and observed that the STC target was raised to 8.5 out of 10.0 measured on a quarterly basis in 2010.

During our review of the survey results, we noted the following:

- overall satisfaction with case handling and short term claims between 2008 and 2010 have been relatively consistent with little fluctuation in results between quarters and annually;

- actual overall customer satisfaction results for STC for the three year period to date were above 8.0 in all quarters, except Q1 of 2008 when the rating was 7.9; and

- actual overall customer satisfaction results for STC to Q3 of 2010 only met the 8.5 out of 10.0 target in the second quarter of this year.

Based on our read of the survey material, the questions appear to address points relevant to STC claims and appear to be good indicators of customer satisfaction.

Based on the survey responses, several other WCBs perform customer surveys on an annual or semi annual basis.

Employee Satisfaction Survey Results

We observed that employee satisfaction surveys are performed on an annual basis. Based on the WCB survey responses, several other WCBs perform employee satisfaction surveys on an annual basis.

Upon review of the annual survey results for STC for the years 2008 and 2009, we noted that 38 questions were asked in 2008 (the Condensed Survey) and 89 questions were asked in 2009 (the Comprehensive Survey). Employees were asked to provide ranking on each question using a five point scale from a 1 rating being "Very Dissatisfied" to a 5 rating being "Very Satisfied". We confirmed that the comprehensive version of the survey is issued every two years.

During our review of the survey results, we noted the following:

- In 2008 372 responses were received and in 2009 371 responses were received for WCB;

- In 2008 66 responses were received and in 2009 58 responses were received for STC; and

- In 2009 67.4% (58 responses out of 86 employees) of STC employees participated in the survey.

Overall, the 2009 job satisfaction rating for STC had a mean score of 3.897 out of 5.0 points and the 2008 job satisfaction rating for STC had a mean score of 3.538 out of 5.0 points. We noted that in both 2008 and in 2009, the job satisfaction rating for STC had a higher mean score than WCB corporate.

We observed that WCB has a corporate Employee Engagement measure which is derived from four questions in the survey. This is a corporate goal and not reported on a departmental (i.e. STC) basis. The corporate target is 80%. The corporate results for 2008 were 71.3% and for 2009 were 74.5%. There was no employee satisfaction survey performed in 2010.

We heard that WCB has selected a new provider for employee surveys in 2010 and will issue a new version of the survey in 2011. This survey will be performed on a biennial basis.

Employer Late Reporting Penalties

During our interviews and other work performed, we noted that Adjudicators have a good understanding of their authority under the WCA to assess administrative penalties on employers for late filings.

During our interviews, we also noted that there was variation in the level of comfort of Adjudicators to assess an administrative penalty on employers and risk harming their relationship.

Adjudicators consider a number of factors when deciding whether to assess an administrative penalty for late filing. These factors may include the size and complexity of the employer's organization, the history of the employer around late reporting and the specific circumstances that resulted in the late reporting.

The WCB has more recently tried to educate employers on the value of reporting more promptly. This has contributed to an overall decrease in the total number of late reports of approximately 31% from 2008 to 2010, as outlined in the following data:

See Appendix D – "Exhibit 6: Employer Penalty Statistics"

Based on the administrative penalty data received, STC appears to have done a good job educating and working with employers on the timely submission of employer reports. However, the data also shows a slight drop in the percentage of administrative penalties assessed from 8.6% of late filings in 2008 to 6.8% of late filings in 2010. This would appear to indicate some continuing reticence on the part of Adjudicators to assess penalties.

Clearly Defined Roles, Responsibilities, Authority and Accountability

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

- Director, Short Term Claims;
- Manager, Short Term Claims;
- Supervisor, Claims Information Centre;
- Supervisor, Adjudication Services;
- Claims Information Representative; and
- Adjudicator II.

We observed that these Job Descriptions included a description of duties, responsibilities and qualifications for each respective position. Job descriptions identify accountabilities by naming the position one level up and the next level above that position.

During our review, we noted that authorities are described. For example, we noted that CIRs have the authority to accept Complexity A claims within parameters as driven by the CIS system.   We also noted that the job descriptions of adjudicators specify that adjudicators have the authority to accept or decline all complexities of claims.

We confirmed that Job Descriptions for Directors, the Supervisor level, Managers, Adjudicator IIs and CIRs were reviewed and approved.

In addition to job descriptions, we also noted that STC organizes its Adjudication functions based on industry sectors. Based on the survey responses, we noted that larger WCBs organize their adjudicators by industry sector, whereby smaller WCBs don't appear to have the critical mass to organize in this manner.

Alignment of Outcomes and Staff Performance Targets

We observed the WCB corporate strategic plan for 2009 to 2013. The strategic plan is broken into four quadrants: Prevention, Recovery, Service and Stewardship.

STC objectives fall under the Service and Stewardship quadrants.

Specific to Service, STC has two goals:

1) to "Improve service to injured workers" with the objective "to provide prompt service" as measured by "70% of workers paid within 14 days of the accident" and "the number of unadjudicated claims less than 900" (including ODU); and

2) to "improve service to injured workers" with the objective "to improve the injured worker satisfaction with service" as measured by "injured worker satisfaction scoring 8 out of 10 on the injured worker survey".

Specific to Stewardship, STC has one goal:

1) "build organizational strength through people" with the objective "to foster an environment where staff are actively engaged to contributing to WCB goals" as measured by "employee satisfaction scoring 8 out of 10 on employer survey".

These goals have defined periods upon which they are measured and vary from quarterly to annual.

WCB's goals and objectives are Specific, Measurable, Accountable, Realistic and Time Based ("SMART").

STC sets many performance objectives specific to STC in addition to the corporate objectives.

Organizational Objectives

Days to First Payment

During our review, we noted in the Strategic Measures document that actual results are also reported to Corporate at the aggregate STC level against the 70% target. STC has not met this target looking back as far

as 2002. We did note that STC has made considerable progress in their "Days to First Pay" statistic over the last number of years and are now approaching the corporate target in this area.

In the STC claim department, targets and results are divided and measured by Sector as follows:

See Appendix D – "Exhibit 2: STC Days to First Pay"

Sector objectives are stated in Adjudicator P&D Forms for performance review purposes. Individual staff members are evaluated based on achieving sector objectives.   During our interviews we noted that Adjudicators know and focus on sector objectives and appear to be unaware and/or less concerned with corporate objectives. All adjudicators were unaware of the history and rationale behind the corporate objective of "70% in 14 days".

During our interviews, we noted that all Adjudicators indicated the following: 1) the sector objectives were reasonable, 2) the sector objectives were achievable, and 3) it was fair to be evaluated against these sector objectives. Furthermore, we noted that all sectors consistently exceed their objectives, usually by 10% or more.

There is no bonus structure in place at WCB for CIRs, Adjudicators, Supervisors, Managers or the Director that would be affected by actual performance against these targets.

We observed that the sector objectives do not aggregate up to achieve the corporate objective of 70%.

Unadjudicated Claims

During our review, we noted that unadjudicated claims are in alignment with corporate objectives at a target of less than 900 (including ODU). We observed that STC has met this target consistently since the first quarter of 2009.

Injured Worker Satisfaction

During our review, we noted that the Injured Worker Satisfaction objective was in alignment with corporate objectives of 8 out of 10 up until 2009. We observed that the STC departmental objectives for 2010 were set at 8.5. During our review, we heard that it was determined that STC departmental objectives should be higher than other departments to assist WCB as a whole in meeting its overall corporate objectives using a balanced scorecard approach (e.g. some WCB departments may not be able to meet the corporate objective due to the nature of their work). We were informed that the corporate goal is a composite goal that relies on a higher departmental goal in STC.

We observed that the STC has met the objective of 8 out of 10 consistently since the second quarter of 2008, but not the 8.5% objective.

Employee Satisfaction

During our review, we noted there was a corporate objective of an employee engagement index of 80% (agree/strongly agree with survey questions). We observed that the STC 2010 Objectives did not include a statement in this regard.

We observed that the employee survey isolates the STC results, but looking at the survey we could not validate that the STC actual results met the corporate objective.

Other STC Departmental Objectives

Over and above the corporate goals, STC has other goals outlined in the Performance and Development forms for both CIRs and Adjudicators. We note that these departmental goals do not conflict with corporate objectives. Our findings regarding certain of these performance measures are described in Step 1.1.

During our interviews, we heard that performance objectives were reasonable and achievable.

Based on the survey responses, we noted that several other WCBs measure their staff on similar performance measures.

Our Recommendations and Management Responses

We provide the following recommendations and management responses:

PwC Recommendations	WCB Management Response
6.1 As part of the biennial employee survey, we recommend that STC develop an Employee Engagement performance measure to provide a benchmark to assess departmental performance regarding employee satisfaction.	The WCB agrees with this recommendation. We have developed a corporate employee engagement performance measure based on our current employee survey. We will ask the external contractor to develop a similar measure specific to STC from our next employee survey which is scheduled for the spring of 2011.
6.2 We recommend that STC align its departmental goal regarding percentage of claims processed within 14 days with the corporate objective. This recommendation should be considered in conjunction with our separate recommendation in regards to making the date of claim creation the official start of the performance measure.	The WCB agrees with this recommendation. Consistent with our response to Recommendation 1.2, we will address the issue of our use of this statistic and the Days to Notification statistic with our adjudication staff as a first step to ensuring a common understanding of the intent behind our use of these statistics to pursue corporate goals.

Appendix A - Summary of Audit Comfort

Audit Objective	Audit Criteria	Cost	Efficiency	Effectiveness
Objective #1: Did STC receive, register and adjudicate claims in a timely manner?	STC should have adequate staff for the intake function for individual Claims Information Representatives ("CIRs") to meet their defined staff performance measures and for the Claim Intake Centre ("CIC") to meet its defined performance measures in regards to timeliness	●	●	
	STC should have adequate staff for the Adjudication function for individual Adjudicators to meet their defined staff performance measures and for the Adjudication department to meet its defined performance measures in regards to timeliness		●	
	STC should have appropriate performance measures in place to measure the efficiency of the intake and adjudication functions		●	
	STC should structure the intake and adjudication processes to minimize the number of handoffs	●	●	
	STC should distribute workload equitably across the staff in the CIC and Adjudication departments	●	●	
	STC should adjudicate claims when an appropriate amount of information has been received		●	●
	STC should have a process to follow up on outstanding claimant information		●	●
	STC should use technology to reduce manual work		●	●
Objective #2: Did STC have processes in place to receive and record accurate and complete claim information, resulting in a supportable adjudication decision?	CIRs should enter data received by Fax, Mail, Web and Phone accurately		●	●
	STC should sequentially log and monitor the receipt of paper documents		●	●
	STC should record 100% of phone calls received			●

Audit Objective	Audit Criteria	Cost	Efficiency	Effectiveness
	Adjudicators should have a method to determine that a claim file is complete			●
	CIS workflow should contain all necessary scripts			●
	CIS scripts should be understandable by the injured worker			●
	Claims should be adjudicated in a consistent manner between adjudicators and sectors		●	●
	Each CIR and Adjudicator should received appropriate training		●	●
	Knowledge should be widely communicated and shared within STC			●
	An escalation process should be in place and followed for significant issues			●
	STC should have an internal monitoring process in place over STC claims processing			●
Objective #3: Did WCB and/or STC have structures and processes in place to maintain and monitor STC compliance with the WCA?	WCB should have policies in place that are documented and understood by STC staff			●
	WCB should have an internal monitoring process in place over STC claims processing			●
	Claims should meet the relevant sections of the WCA to be accepted			●
Objective #4: Did STC have structures and processes in place to process its volume of claims received with due regard for cost and	Budgets should be prepared and approved on an annual basis and should be monitored for variances on a monthly basis	●		●
	STC should have adequate staff for the intake function for individual CIRs to meet their defined staff performance measures and for the CIC department to meet its defined performance measures	●	●	●

Audit Objective	Audit Criteria	Cost	Efficiency	Effectiveness
efficiency?	WCB should have adequate staff for the adjudication function for individual Adjudicators to meet their defined staff performance measures and for the Adjudication department to meet its defined performance measures	●	●	●
	Outsourcing arrangements should be cost effective	●		
Objective #5: Did WCB have reliable Management Information Systems to support STC intake and adjudication functions?	System should be available 99% of the time from 7:55 to 17:05 evaluated on a rolling 12 month period	●	●	●
	Disaster Recovery ("DR") plans should be in place, approved and tested			●
	Back-up procedures should be followed and monitored		●	●
	Change management procedures should be in place for changes to the applications or interfaces	●	●	●
	Help Desk services and a service ticket process should be in place	●	●	●
Objective #6: Were STC's strategic outcomes, priorities and performance measures in alignment with WCB's organizational objectives?	Customer satisfaction should be high, as defined by STC meeting its Customer Satisfaction Survey performance objectives			●
	Employee satisfaction should be high, as defined by STC meeting its Employee Satisfaction Survey performance objectives	●	●	●
	Guidelines should be in place and understood by STC staff in regards to the assessment of administrative penalties for late employer filings			●
	Roles, responsibilities, authority and accountability should be defined for STC staff			●
	There should be alignment between organizational outcomes and departmental outcomes			●
	STC departmental and staff performance measures should be reasonable and achievable			●

Appendix B - Survey Results

Qu #	Description	Manitoba	Sask	Ontario	PEI	Yukon	NWT & Nunavut	Global WCB		GLH #1	GLH #2
	Overall Comment							Private P&C Insurer administering WCB services to various states within Australia		Private insurers will share measurement standards but not claim volumes or financials	
1	STC duration	8 weeks	4 weeks	30 days to 6 months	4 weeks	90 days	6 weeks	Varies by state			
2	Methods of Intake										
	Phone - CIC structure	Yes	Not Available	No	No	No	No	Not Available			
	Phone - no call centre	No	Yes	No	No	Yes	Yes	Yes			
	Fax	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
	Mail	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
	Web	Yes	Yes	No	No	Yes	No	Yes			
	In-Person Drop Off	Yes	No	No	Yes	Yes	No	No			
3	STC Performance Measures										
	mail room to STC unit	Not Done	End of Day	24 hours	24 hours	Twice a day	Same Day	Same Day			
	Register a Claim	24 hours	End of Day	48 hours	1 day after the receipt of both Worker & Physician Reports	24 hours	24 hours	3 days			
	Days to First Pay	14 days	14 days	2 weeks	NTL - 7 days TL - 21 days	14 days	21 days	7 days			
4	PM used in Staff Reviews	Yes	No	Yes	Yes	Yes	No	Yes			
5	Start date of Claim	Date of Accident	Date of Injury	Date of Registration	Date Worker Report received	Date of Notification	Date of Notification	Varies by state			
								Date of: injury, employer notified, WCB notified or forms received			
6	# of Adjudicators										
	2008	35	Not Available	Not Available	5	4	4	Not Available			
	2009	36	Not Available	380	5	4	4	Not Available			
	2010	34	20	380	5	4	4	450			
								total claims staff			
	Staff Budget										
	2008	$4,842,025	Not Available	$91,000,000	$ 275,103	Not Available	Not Available	Not Available			
	2009	$5,195,860	Not Available	$91,000,000	$ 291,178	Not Available	Not Available	Not Available			
	2010	$4,985,157	$ 1,800,000	$91,000,000	$ 278,180	Not Available	Not Available	Not Available			
7	# of STC claims										
	2008	40,916	35,000	317,031	1,551	521	766	Not Available			
	2009	37,642	34,000	253,761	1,334	431	691	Not Available			
	2010	36,515	33,000	202,812	Not Available	369	810	38,000			
				2010 YTD		# of TL claims only					

Qu #	Description	Manitoba	Sask	Ontario	PEI	Yukon	NWT & Nunavut	Global WCB		GLH #1	GLH #2
	Overall Comment							Private P&C Insurer administering WCB services to various states within Australia		Private insurers will share measurement standards but not claim volumes or financials	
8	Method to gage Customer Satisfaction	Quarterly Survey	Quarterly Survey	Annual Survey	2 yearly survey	Meetings, Media Reporting, Feeback	Survey	Not Available			
	Method to gage WCB Staff Satisfaction	Annual Survey	Annual Survey	Survey discontinued Exit Interviews	2 yearly survey	Survey, Performance Reviews, meetings	Survey	Not Available			
9	Adjudication Dept Organization	Industry Sectors	Rural - by region City - by employer	By Industry Sector	Simple claims vs. Complex claims - No industry breakdown	New Claim - no divisions Re-opens go to the "re-open" adjudicator	Even Distribution of Claims (no specific breakdown)	By Employer Group			
10	Maintain Consistency - Checklist?	Policy documents Monthly meetings Mgr review of case files	Checklist QA - indep. dept QC - STC sups	Policy documents Weekly meetings Mgr review of case files	Business Process Checklist	Checklist Weekly Meetings Spreadsheets Stats	Checklist Mgr review of case files	Manditory Checklists			
11	Accept EDI claims	No	No	Yes	Yes	No	No	No			
12	Language other than English	Outsource to Provider	Outsource to Provider	in-house staff External language Providers	Outsource to Provider	Outsource to Provider	in-house staff Government Translation Service client supplied	Outsource to Provider			
13	e-Claim file	Yes	Yes	Yes	Yes	No	No	No			
	Claim system drives workflow?	No	Not Available	No	No	No	No	No			
14	Target Claims System Availability	99%	12 hrs / day 6 days/wk	7am to 7pm M-F	100%	100%	Not Applicable	Not Available			
	Target met?	Yes	Yes	some failures	Yes	Yes	Not Applicable	Not Available			
15	Assess penalties on Employer Late submits	Yes	Yes	Yes	No	Yes	Yes	Not Applicable			

#	Recommended Benchmarks	Manitoba	Sask	Ontario	PEI	Yukon	NWT & Nunavut	Global WCB		GLH #1	GLH #2
1	Total # of Claims Received per Year										
	2008	40,916	35,000	317,031	1,551	521	766	Not Available		Not Available	Not Available
	2009	37,642	34,000	253,761	1,334	431	691	Not Available		Not Available	Not Available
	2010	36,515	33,000	202,812	Not Available	369	810	38,000		Not Available	Not Available
			0	2010 YTD	0	# of TL claims only	0	0			
2	Claims Processed by Adjudicator per Year										
	2008	1,169	0	Not Available	310	130	192	Not Available		Not Available	Not Available
	2009	1,046	0	668	267	108	173	Not Available		Not Available	Not Available
	2010	1,074	1,650	534	Not Available	92	203	84		Not Available	Not Available
3	Claims Turnaround - Register Claim	24 hours	End of Day	48 hours	1 day after the receipt of both Worker & Physician Reports	24 hours	24 hours	3 days		24 hours	24 hours
4	Claims Turnaround -> "Start Date of Claim to 1st Pay"	14 days	14 days	2 weeks	NTL - 7 days TL - 21 days	14 days	21 days	7 days		Annual Average of 12 days	5 days
	Start Date of Claim defined as	Date of Accident	Date of Injury	Date of Registration	Date Worker Report received	Date of Notification	Date of Notification	Varies by state		Receipt of 1st piece of mail	Receipt of ALL required
								Date of: injury, employer notified, WCB notified or forms received			
5	Cost per Claim (staff budget / # of claims)										
	2008	$118.34	Not Available	$287.04	$177.37	Not Available	Not Available	Not Available		Not Available	Not Available
	2009	$138.03	Not Available	$358.61	$218.27	Not Available	Not Available	Not Available		Not Available	Not Available
	2010	$136.52	$54.55	$448.69	Not Available	Not Available	Not Available	Not Available		Not Available	Not Available
	Additional Performance Measures provided by GLH Insurers									Must act on mail received within 7 days	Must act on mail received within 5 days

Note: New Brunswick and Quebec also responded to the survey; however, they do not distinguish between short term and long term claims, and results may not be comparable.

Appendix C - Summary of Recommendations and Management Responses

Ref.	PwC Recommendations	Potential Impact[1] (High, Medium, Low)	Priority[2] (High, Medium, Low)	Implementation Time Frame[3]
1.1	We recommend that STC develop a process to measure "Mail Processing Turnaround Time Within 24 Hours of Receipt.	Low	High	December 31, 2011
1.2	We recommend that STC investigate amending its performance measure for "Days to First Pay" to be based on the "Date of Notification". We recognize the importance of the date of accident from the perspective of the injured worker; however, performance measures for individuals should be based on factors under the control of the employee in order to be effective and motivational. This recommendation should be considered in conjunction with our separate recommendation in regards to aligning this performance measure with corporate objectives.	Medium	High	September 30, 2011
1.3	We recommend that STC move the existing claim check on incoming mail to the records unit. We understand that STC has already begun to implement this recommendation.	Low	High	Already implemented
1.4	We recommend that WCB investigate the use of Electronic Data Interchange ("EDI") in regards to pharmacy point of purchase electronic drug claim submissions. Intake of Complexity A claims could be streamlined through EDI and a rules engine, resulting in faster and more consistent adjudication, likely at a lower cost of administration. In particular, other provinces (e.g. Ontario, PEI and others) are already accepting drug claims through EDI submissions.	High	Medium	December 31, 2012
1.5	We recommend that WCB develop a business case to investigate eFax technology to save time in printing and rescanning documents.	Medium	High	December 31, 2011
2.1	We recommend that all telephone calls should be recorded, logged and archived in accordance with the WCB document retention strategy.	Low	High	December 31, 2011

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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.

Ref.	PwC Recommendations	Potential Impact[1] (High, Medium, Low)	Priority[2] (High, Medium, Low)	Implementation Time Frame[3]
2.2	We recommend that the receipt of faxes and mail should be sequentially logged.	Low	High	September 30, 2011
2.3	We recommend that STC conduct a baseline review of all CIS scripts and develop a formal and documented review and approval process for changes in CIS scripts going forward. In addition, we recommend that STC inventory all other forms of external communications and determine the most appropriate and required levels of review and approvals required prior to issuance. This review and approval process should include formalized consultation requirements with relevant stakeholders (e.g. legal, communications, content owner, IT).	Medium	High	June 30, 2011
2.4	We recommend that the WCB Service Quality department incorporate STC in its annual cyclical audit plan. Supervisor Claim File audits are not performed by an independent third party.	Medium	High	Already implemented
2.5	We recommend that a repository of claim decision letters organized around types of claims be created. We did note that sample decision letters are distributed during training.	Low	Medium	December 31, 2011
2.6	We recommend that WCB investigate enhancing the workflow in Emerge to drive consistency and completeness of the file in managing different claim scenarios. We recognize that each claim will be different in nature and that adjudicators will need to exercise good judgement based on education, training and experience. However, if a baseline amount of required information to assess a claim can be defined, as evidenced by the "self-created" templates noted above, this should be incorporated into the Emerge workflow, resulting in more consistency in adjudication. Workflow in Emerge would ultimately act as a smart iterative electronic checklist.	High	Medium	December 31, 2012
2.7	We recommend that STC provide regular and on-going sensitivity training to CIRs and potentially Adjudicators as they are in a client facing role.	High	High	December 31, 2011
5.1	We recommend that WCB test the Disaster Recovery Plan to ensure it works. A process should be developed to update the DRP at least annually, and when certain organizational or other changes require a plan update.	High	High	September 30, 2011
5.2	We recommend that WCB update and test the Business Resilience Plan to ensure it works. A	High	High	September 30,

Ref.	PwC Recommendations	Potential Impact[1] (High, Medium, Low)	Priority[2] (High, Medium, Low)	Implementation Time Frame[3]
	process should be developed to update the BRP at least annually, and when certain organizational or other changes require a plan update.			2011
6.1	As part of the biennial employee survey, we recommend that STC develop an Employee Engagement performance measure to provide a benchmark to assess departmental performance regarding employee satisfaction.	Low	High	Already implemented
6.2	We recommend that STC align its departmental goal regarding percentage of claims processed within 14 days with the corporate objective. This recommendation should be considered in conjunction with our separate recommendation in regards to making the date of claim creation the official start of the performance measure.	Medium	High	September 30, 2011

Appendix D – Quantitative Exhibits

Exhibit 1: CIR Intake Statistics

Relevant CIC Data for Calculations

Relevant Information	2010	2009	2008
Number of working days*	209	209	209
Number of CIRs employees	13	14	13
Number of Inbound Calls	31,893	31,902	35,441
Number of Outbound Calls	32,404	39,113	40,512

Performance Measure: Create an average of 14 claim files per day

Relevant Information	2010	2009	2008
Target Number of Claims Per Day	14	14	14
Target aggregate Number of Claims/Day - Target Capacity	38,038	40,964	38,038
Traumatic No Time Loss Claims	17,106	17,665	19,039
Traumatic Time Loss Claims	15,935	16,551	17,802
Cumulative Claims	3,474	3,426	4,075
ODU Claims	3,146	3,028	3,083
Actual Total Claims Started in CIC	39,661	40,670	43,999
Actual claims created per CIR per day	14.6	13.9	16.2
Variance in Claims per CIR	(0.6)	0.1	(2.2)
Variance in Claims (percentage) per CIR	(4.3%)	0.7%	(15.7%)

Performance Measure: Average of 10 incoming calls per day

Relevant Information	2010	2009	2008
Target Number of Calls per day	10.0	10.0	10.0
Target aggregate Number of Calls/Day - Target Capacity	27,170	29,260	27,170
Actual Total Inbound Calls to the CIC	31,893	31,902	35,441
Actual Inbound Calls per CIR per day	15.3	15.3	17.0

* *Represents an estimate of total working days available less average vacation time less average sick time and other (e.g. average bereavement leave).*

Notes:

- This data includes inbound calls related to ODU, which is out of scope for this audit.

- We did not audit the completeness and accuracy of the performance information created by WCB or Departmental information systems. This information was used in our analysis of performance.

Exhibit 2: STC Days to First Pay

Percentage of Claims that were paid in 14 Days

Sectors	Years								
	YTD 2010			2009			2008		
	Objective	Actual	Achievement	Objective	Actual	Achievement	Objective	Actual	Achievement
Sector 1	55.0%	54.7%	99.5%	52.0%	58.0%	111.5%	51.0%	51.1%	100.2%
Sector 2	70.0%	73.6%	105.1%	62.0%	75.6%	121.9%	62.0%	72.5%	116.9%
Sector 3	61.0%	68.2%	111.8%	57.0%	64.0%	112.3%	57.0%	55.9%	98.1%
Sector 4	62.0%	75.3%	121.5%	58.0%	66.6%	114.8%	0.0%	0.0%	0.0%

Number of Adjudicators

Relevant Information	Years								
	YTD 2010			2009			2008		
	Target	Actual	Vacant	Target	Actual	Vacant	Target	Actual	Vacant
Number of Adjudicators	34	32.88	1.12	36	35.37	0.63	35	34.66	0.34

Notes:

- 2010 data to December 19, 2010

- Sector 4 did not exist prior to 2008.

- We did not audit the completeness and accuracy of the performance information created by WCB or Departmental information systems. This information was used in our analysis of performance.

Exhibit 3: Adjudication Capacity

	Years		
Relevant Information	**2010**	**2009**	**2008**
Target Number of Adjudicators in Budget per year	34	36	35
Target Claims per Adjudicator per year (See Note below)	1,050	1,050	1,050
Calculated: Target Claims capacity	35,700	37,800	36,750
Total Traumatic No Time Loss Claims	17,106	17,665	19,039
Total Traumatic Time Loss Claims	15,935	16,551	17,802
Cumulative Claims	3,474	3,426	4,075
Calculated: Actual Total Claim Volume	36,515	37,642	40,916
Calculated: Variance in Claim Volume Capacity at Target # of Adjudicators	(815)	158	(4,166)

Calculated: Projected Claims per Adj (target adj to actual claims)	1,074	1,045.6	1,169.0
Calculated: Variance in Claims per Adj (target adj to actual claims)	(24.0)	4.4	(119.0)
Calculated: % Variance in Claims Capacity (target adj to actual claims)	(2.28%)	0.42%	(11.34%)

Vacant Positions	1.12	0.63	0.34

Calculated: Actual Number of Adjudicators	32.88	35.37	34.66
Target Claims per Adjudicator per year (See Note below)	1,050	1,050	1,050
Calculated: Target capacity based on actual number of Adjudicators	34,524	37,139	36,393

Actual Total Claim Volume	36,515	37,642	40,916
Calculated: Variance in Claims per Adj (actual adj to actual claims)	(1,991)	(504)	(4,523)
Calculated: Actual Claims per Adj per year	1,110.6	1,064.2	1,180.5
Calculated: Variance in Claims per Adj (actual adj to actual claims)	(60.6)	(14.2)	(130.5)
Calculated: % Variance in Claims Capacity (actual adj to actual claims)	(5.77%)	(1.36%)	(12.43%)

Notes:

- This data excludes ODU.
- The calculation assumes 1,050 as a rule of thumb (mid point between 1,000 and 1,100) We did not audit the completeness and accuracy of the performance information created by WCB or Departmental information systems. This information was used in our analysis of performance.

Exhibit 4: Unadjudicated Claims

Relevant Information	Unadjudicated Claims											
	2010				2009				2008			
	Objective	Actual	Variance	% Variance	Objective	Actual	Variance	% Variance	Objective	Actual	Variance	% Variance
Number of Unadjudicated Claims	900	842	58	6.4%	900	795	105	11.7%	900	1,019	(119)	-13.2%

Notes:

- We did not audit the completeness and accuracy of the performance information created by WCB or Departmental information systems. This information was used in our analysis of performance.

Exhibit 5: Review Office Statistics

Years	Claim Volume	# to Review Office	% to Review Office	# Varied	# Rescinded	# Confirmed	Total # Varied and Rescinded	%Varied and Rescinded over Claim Volume	% Varied and Rescinded over # to Review Office	% Confirmed over # to Review Office
2008	43,999	296	0.67%	16	63	217	79	0.18%	26.69%	73.3%
2009	40,670	333	0.82%	12	63	258	75	0.18%	22.52%	77.5%
2010	39,661	348	0.88%	10	95	243	105	0.26%	30.17%	69.8%

Notes:

- All figures include Occupational Disease Unit Claims.

- We did not audit the completeness and accuracy of the performance information created by WCB or Departmental information systems. This information was used in our analysis of performance.

- **Rescinded:** A decision made by primary adjudication was overturned.

- **Varied:** A decision made by primary adjudication was partially altered or modified. A varied decision would involve altering parts of the initial decision and upholding other parts.

Workers Compensation Board of Manitoba
Cost, Efficiency and Effectiveness Audit of the Short Term Claims Process
Findings Report

Exhibit 6: Employer Penalty Statistics

	2008	2009	YTD 2010
Number of employer submissions received >= 9 days from date of injury	4,159	3,488	2,877
Calculated: Change in number of late employer submissions		(671)	(611)
Calculated: % change in number of late employer submissions		(16.1%)	(17.5%)
			(30.8%)
Number of Penalties Assessed	358	257	197
Calculated: % of Penalties per late employer submission	8.6%	7.4%	6.8%
Calculated: Change in number of late employer submissions		(101)	(60)
Calculated: % change in number of late employer submissions		(28.2%)	(23.3%)
			(45.0%)

Note:

- 2010 employer penalty data to November 30, 2010

- We did not audit the completeness and accuracy of the performance information created by WCB or Departmental information systems. This information was used in our analysis of performance