

MEMORANDUM

Date: February 27, 2020

To: Steve Relyea
Executive Vice Chancellor and Chief Financial Officer

From: Larry Mandel 
Vice Chancellor and Chief Audit Officer

Subject: **Audit Report 19-54, Health and Safety, Office of the Chancellor**

We have completed an audit of *Health and Safety* as part of our 2019 Audit Plan, and the final report is attached for your reference. The audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

I have reviewed the management response and have concluded that it appropriately addresses our recommendations. The management response has been incorporated into the final audit report, which has been posted to Audit and Advisory Services' website. We will follow-up on the implementation of corrective actions outlined in the response and determine whether additional action is required.

Any observations not included in this report were discussed with your staff at the informal exit conference and may be subject to follow-up.

I wish to express my appreciation for the cooperation extended by the chancellor's office personnel over the course of this review.

c: Timothy P. White, Chancellor



HEALTH AND SAFETY

California State University, Office of the Chancellor

Audit Report 19-54
January 28, 2020

EXECUTIVE SUMMARY

OBJECTIVE

The objectives of the audit were to ascertain the effectiveness of operational and administrative controls related to health and safety (HS) and to ensure compliance with relevant federal and state regulations; Trustee policy; and Office of the Chancellor (CO) directives and procedures.

Additionally, the audit reviewed the status of recommendations made in the California State Auditor (CSA) Audit Report 2017-119, the state audit review of HS conducted in 2017 at four California State University (CSU) campuses, which included recommendations related to the CO's oversight of campus HS programs.

CONCLUSION

Based upon the results of the work performed within the scope of the audit, except for the weaknesses described below, the operational and administrative controls for HS as of December 6, 2019, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

In October 2019, the CSA reviewed responses for the 14 recommendations that were issued to the CO. At the time of our audit, six recommendations were fully implemented, one was partially implemented, and seven were pending implementation. We reviewed these responses and determined that the campus had adequately addressed, or were in the process of addressing, the CSA's recommendations.

Overall, we found that the CO had an appropriate framework for HS with environmental health and safety (EHS), a function of Business and Finance's operations support division, responsible for oversight of HS at the CO. However, we found that CO HS plans did not always include all required elements and were not reviewed annually for effectiveness. Additionally, we found that although hazards were limited, the CO did not perform workplace hazard assessments to determine whether it was required to provide personal protective equipment (PPE), HS training, or hazard communications to potentially affected employees. We also found that the CO did not maintain HS training records, did not consistently perform maintenance and inspections of safety equipment, did not always properly label universal waste, and did not have a current California State Environmental Protection Agency (EPA) ID number for hazardous waste.

Specific observations, recommendations, and management responses are detailed in the remainder of this report.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. HEALTH AND SAFETY PLAN ADMINISTRATION

OBSERVATION

CO HS programs did not always include all required elements and were not reviewed annually for effectiveness.

We reviewed the CO Injury and Illness and Prevention Program (IIPP) for adequacy and compliance with regulatory requirements and to determine whether appropriate safety programs were in place, and we found that:

- The IIPP did not include procedures for identifying and evaluating workplace hazards, including scheduled and unscheduled inspections; procedures for investigating occupational injuries and illnesses; procedures for correcting unsafe or unhealthy conditions, work practices, and work procedures in a timely manner; and procedures to maintain a record of scheduled and periodic inspections to identify unsafe conditions as required by the California Code of Regulations (CCR) Title 8 §3203, *Injury and Illness Prevention Program*.
- The IIPP had not been reviewed annually for effectiveness since 2010.
- The CO did not maintain employee IIPP acknowledgement forms prior to April 2018, and therefore, we could not determine whether employees had been assigned and completed the required IIPP training before that date.
- The CO did not have standard operating procedures to address the clean-up of incidences such as chemical spills and other regulated spills such as sewer or storm water, dead rodents, mice contamination, bodily fluids, needles, syringes, and broken or leaking items (batteries, fluorescent bulbs, glass, etc.).

Current and complete HS plans and programs improve compliance with regulatory requirements and promote a healthy and safe environment for employees.

RECOMMENDATION

We recommend that CO management:

- a. Review and update the IIPP to include the elements noted above.
- b. Review the IIPP annually for effectiveness and maintain evidence of the review.
- c. Communicate and distribute the updated IIPP to all employees.
- d. Continue to maintain the IIPP acknowledgement forms as evidence of employee completion of the required IIPP training.

- e. Develop and implement a standard operating procedure to address the clean-up of incidences noted above.

MANAGEMENT RESPONSE

We concur. The CO will:

- a. Review and update the IIPP to include the elements noted above.
- b. Review the IIPP annually for effectiveness and maintain evidence of the review.
- c. Communicate and distribute the updated IIPP to all employees.
- d. Continue to maintain the IIPP acknowledgement forms as evidence of employee completion of the required IIPP training.
- e. Develop and implement a standard operating procedure to address the clean-up of incidences noted above.

This recommendation will be implemented by August 2020.

2. HAZARD COMMUNICATION AND HAZARD ASSESSMENTS

OBSERVATION

The CO did not conduct written hazard assessments to evaluate employee PPE and HS training needs.

According to 8 CCR §3380, *Personal Safety Devices and Safeguards*, employers shall assess the workplace to determine whether hazards that necessitate the use of PPE are present, and to ensure provision of appropriate PPE if hazards are present.

We found that without completed hazard assessments, it was unclear whether the CO was required to provide specialized HS training to employees or have a written hazard communication (HAZCOM) plan and make safety data sheets (SDS) available to employees, as required by CCR Title 8 §5194, *Hazard Communication*. Additionally, we noted that the HAZCOM training provided to facilities management employees required them to know the location of the written HAZCOM plan; however, we confirmed that one did not exist.

A written hazard assessment of CO workplaces helps to ensure that hazards and corresponding PPE are identified and communicated to appropriate staff. Additionally, a complete HAZCOM program improves compliance with regulatory requirements and promotes a healthy and safe environment for employees.

RECOMMENDATION

We recommend that CO management:

- a. Establish and implement a process to ensure that written PPE hazard assessments are performed, documented, and monitored for all CO workspaces.
- b. Based on the results of hazard assessments, determine whether a written HAZCOM plan and SDS are required, and if so, develop them and make them available to employees involved with hazardous materials.
- c. Based on the results of hazard assessments, determine HS training needs to ensure that all appropriate employees are assigned necessary and required training.

MANAGEMENT RESPONSE

We concur. The CO will:

- a. Establish and implement a process to ensure that written PPE hazard assessments are performed, documented, and monitored for all CO workspaces.
- b. Based on the results of hazard assessments, determine whether a written HAZCOM plan and SDS are required, and if so, develop them and make them available to employees involved with hazardous materials.
- c. Based on the results of hazard assessments, determine HS training needs to ensure that all appropriate employees are assigned necessary and required training.

This recommendation will be implemented by September 2020.

3. INSPECTIONS

OBSERVATION

The CO did not always conduct and monitor maintenance and inspections of the working conditions of safety equipment and did not consistently perform workplace inspections.

We found that the CO IIPP assigned the emergency management, safety and compliance manager with the responsibility to conduct regular workplace audits and inspections. In addition, the CO HS website stated that supervisors are responsible for conducting regular HS inspections on equipment in their work areas. However, we found that the CO did not always conduct regular maintenance and inspections of the working conditions of safety equipment. Specifically, we found that:

- The emergency shower station and emergency eyewash stations were missing inspection tags, and therefore, we could not determine whether inspections were conducted on a monthly basis as required by 8 CCR §5162(e), *Emergency Eyewash and Shower Equipment*.
- The facilities shop storage cabinet did not have a spill kit readily available, as required by 22 CCR §66265.32 (c), *Environmental Health Standards for the Management of Hazardous Waste*.

Additionally, the CO did not have formalized standard operating procedures for maintaining safeguard equipment such as emergency eyewash and shower stations, fire extinguishers, and spill kits.

Performing regular and systematic inspections helps to ensure compliance with the CO IIPP; increases the likelihood of identifying unsafe conditions; and helps to ensure a healthy and safe environment for employees.

RECOMMENDATION

We recommend that CO management:

- a. Evaluate the current process for regular inspections of emergency shower and eyewash stations and revise it as necessary to ensure that all safety equipment is subject to routine, comprehensive, and documented inspections, and formalize the processes in a standard operating procedure.
- b. Remind applicable personnel of the regulatory and CO requirements regarding safety equipment inspections, and provide training as needed.
- c. Determine whether a spill kit is required in the facilities shop, and if so, stock the area with a spill kit that is easily accessible.

MANAGEMENT RESPONSE

We concur. The CO will:

- a. Evaluate the current process for regular inspections of emergency shower and eyewash stations and revise it as necessary to ensure that all safety equipment is subject to routine, comprehensive, and documented inspections, and formalize the processes in a standard operating procedure.
- b. Remind applicable personnel of the regulatory and CO requirements regarding safety equipment inspections and provide training as needed.
- c. Determine whether a spill kit is required in the facilities shop, and if so, stock the area with a spill kit that is easily accessible.

This recommendation will be implemented by July 2020.

4. HAZARDOUS AND UNIVERSAL WASTE

OBSERVATION

The CO did not formally document policies and procedures for managing, accumulating, disposing, and transporting hazardous and universal waste in accordance with regulatory requirements, and did not always properly label universal waste.

We reviewed two locations with universal waste, and we found that universal waste was not properly labeled. Specifically, we found that:

- At one location, all universal waste containers with fluorescent bulbs and batteries were missing waste labels with the accumulation start date.
- At all kitchen locations, the label on the universal waste container for batteries did not include the accumulation start date.

Proper labeling, storage, and timely disposal of hazardous and universal waste reduces the likelihood of accidents, injuries, and potential liability to the CO.

RECOMMENDATION

We recommend that CO management:

- a. Develop standard operating procedures for managing, accumulating, disposing, and transporting hazardous and universal waste items.
- b. Remind employees involved in handling universal waste on the importance of proper labeling and timely disposal in accordance with regulatory requirements, and provide training as needed.

MANAGEMENT RESPONSE

We concur. The CO will:

- a. Develop standard operating procedures for managing, accumulating, disposing, and transporting hazardous and universal waste items.
- b. Remind employees involved in handling universal waste on the importance of proper labeling and timely disposal in accordance with regulatory requirements, and provide training as needed.

This recommendation will be implemented by July 2020.

5. STATE EPA IDENTIFICATION

OBSERVATION

The CO had an expired California State EPA ID number for hazardous waste.

We found that the CO had not complied with regulatory requirements to obtain a new, permanent California State EPA ID number to ensure that universal waste is tracked from its point of generation to its ultimate disposal.

A current and active California State EPA ID number ensures that hazardous waste, including universal waste, is tracked from its point of generation to its ultimate disposal and improves compliance with regulatory requirements.

RECOMMENDATION

We recommend that CO management obtain a new, permanent California State EPA ID number.

MANAGEMENT RESPONSE

We concur. The CO will request a new, permanent California State EPA ID number.

This recommendation will be implemented by May 2020.

GENERAL INFORMATION

BACKGROUND

California state regulations require all employers, including the CSU, to provide a safe and healthy work environment. Each campus has a designated EHS program administrator that is responsible for developing and maintaining a campus HS program.

All CSU campuses purchase hazardous materials for both instructional and research purposes, most prominently in colleges that focus on the sciences, fine arts, and liberal arts. In addition, campus maintenance departments such as custodial services, facilities, and auto shops may use materials that are known to have properties that are harmful to humans and the environment. Nearly all of the areas that use hazardous materials generate hazardous waste that is subject to strict regulations for safe and proper storage, transport, and disposal.

California regulations relating to HS are primarily codified in the California *Health and Safety Code* (HSC) and in Titles 8 and 22 of the CCR. California's Division of Occupational Safety and Health (Cal/OSHA) is primarily responsible for the enforcement of the state's occupational HS laws and regulations. Title 8 of the CCR addresses hazardous materials safety, including, but not limited to, training, communication, storage, and safety. Specific to laboratory environments, the *Occupational Exposure to Hazardous Chemicals in Laboratories* standard (8 CCR §5191) requires that the employer designate a chemical hygiene officer and have a written chemical hygiene plan that includes, among other things, provisions for worker training, criteria for the use of personal protective equipment and engineering controls, and standard operating procedures for handling hazardous materials. Title 22 of the CCR addresses hazardous materials waste management.

The primary CSU HS policy is Executive Order (EO) 1039, *Occupational Health and Safety*. This policy requires campuses to develop, implement, and maintain a HS program and also addresses student HS training. EO 1069, *Risk Management and Public Safety*, delegates systemwide administration oversight and programmatic responsibility for environmental HS to Systemwide Risk Management.

At the CO, the Office of Systemwide Risk Management provides guidance to campuses on the application of HS policies and procedures appropriate to the CSU and in accordance with applicable regulations. HS programs for the CO are a function of the Business and Finance division's operations support, and responsibilities include developing, implementing, and monitoring the effectiveness of safety and health programs at the CO. The CO has limited use of hazardous materials, with the majority of materials used in custodial services and facilities. Therefore, many of the regulations that apply to the campuses would not apply to the CO.

In 2017, due to HS concerns at two CSU campuses, the Joint Legislative Audit Committee directed the California State Auditor (CSA) to review HS compliance at four campuses (Channel Islands, Sacramento, San Diego, and Sonoma), as well as oversight by the CO. The review noted several issues, including observations relating to the annual evaluation of chemical plans; monitoring and documenting of student and employee HS training; and consistent and timely inspections of safety equipment. Based on the nature and trends of the observations noted in the CSA review, Audit and Advisory Services informed the Board of Trustees that it would perform reviews at all CSU campuses in 2019.

SCOPE

We visited the CO from November 18, 2019, through December 6, 2019. Our audit and evaluation included the audit tests we considered necessary in determining whether operational and administrative controls are in place and operative. The audit focused on procedures in effect from January 1, 2016, to December 6, 2019.

Specifically, we reviewed and tested:

- Implementation of recommendations from the 2017 CSA Audit Report related to systemwide oversight of campus HS programs.
- Oversight and administration of the CO HS program, including clearly defined roles and responsibilities; self-audits and monitoring practices; and current policies and procedures.
- The adequacy and availability of safety equipment, including provision of PPE; and regular inspections and monitoring of key safeguards.
- Proper storage and safety of hazardous materials, including procurement; maintenance of accurate inventories; appropriate labeling and storage practices; and access controls.
- Communications and training processes, including evaluation of the hazard communication plan; availability of material safety data sheets; asbestos notifications and signage; and documentation and monitoring of employee training.
- Appropriate identification, storage, and monitoring of accumulated HAZWASTE.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls changes over time. Specific limitations that may hinder the effectiveness of an otherwise adequate system of controls include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. Establishing controls that would prevent all these limitations would not be cost-effective; moreover, an audit may not always detect these limitations.

Our testing and methodology, which was designed to provide a review of key operational and administrative controls, included interviews, walkthroughs, and detailed testing on certain aspects of the HS program. The review was limited to gaining reasonable assurance that essential elements of the HS program were in place and did not examine all aspects of the program. We did not re-perform any testwork completed by the CSA in their 2017 audit of the CO. Instead, for those areas tested by the CSA that are also included in the current audit scope, we reviewed the implementation of campus corrective actions for any noted issues.

CRITERIA

Our audit was based upon standards as set forth in federal and state regulations and guidance; Trustee policy; Office of the Chancellor directives; and campus procedures; as well as sound administrative practices and consideration of the potential impact of significant risks. This audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

This review emphasized, but was not limited to, compliance with:

- 29 CFR Part 1910, *Occupational Safety and Health Standards*
- California HSC Division 20, *Miscellaneous Health and Safety Provisions*
- California State Auditor Report 2017-119 Recommendations
- CCR Title 8, *Industrial Relations*
- CCR Title 17, *Public Health*
- CCR Title 19, *Public Safety*
- CCR Title 22, Division 4.5, *Environmental Health Standards for the Management of Hazardous Waste*
- EO 1031, *Systemwide Records/Information Retention and Disposition Schedules Implementation*
- EO 1039, *California State University - Occupational Health & Safety Policy*
- EO 1069, *Risk Management and Public Safety*
- Collective Bargaining Agreement, Unit 6, Article 28, *Health and Safety*
- CO *Injury & Illness Prevention Program*

AUDIT TEAM

Audit Manager: Jennifer Rethwisch
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