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Non-Public Property Audit of Specialty Interest Activities—Part 2: Health and Safety Program



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1259-5-007 (ADM(RS))

Caveat

Non Public Property (NPP) is created under the *National Defence Act* (NDA). The purpose of NPP is to provide benefit to serving and former members of the Canadian Armed Forces (CAF) and their families or for any other purpose approved by the Chief of the Defence Staff (CDS). Each unit's NPP is vested in the commanding officer of that unit.

NPP is a unique type of crown property, the governance of which is assigned to the CDS. Pursuant to subsection 41(1) of the NDA, the CDS shall exercise his authority subject to any directions that may be given to him by the Minister.

Subsection 41(3) of the NDA provides that the *Financial Administration Act* does not apply to NPP. Revenues from NPP operations constitute NPP pursuant to section 2 of the NDA.

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Acronyms and Abbreviations

ADM(IE)	Assistant Deputy Minister (Infrastructure and Environment)
ADM(Mat)	Assistant Deputy Minister (Materiel)
ADM(RS)	Assistant Deputy Minister (Review Services)
B/W/U	Base/Wing/Unit
CAF	Canadian Armed Forces
CFMWS	Canadian Forces Morale and Welfare Services
CLC, Part II	<i>Canada Labour Code, Part II</i>
DLN	Defence Learning Network
DND	Department of National Defence
D Safe G	Director of General Safety
FY	Fiscal Year
HMRA	Hazardous Materials Reference Application
HPP	Hazard Prevention program
JHA	Job Hazard Analysis
LOHSC	Local Occupational Health and Safety Committee
MSDS	Material Safety Data Sheet
NOHSPC	National Occupational Health and Safety Policy Committee
NPF	Non-Public Funds
NPP	Non-Public Property
OHS	Occupational Health and Safety
OPI	Office of Primary Interest
PSP	Personnel Support Program
SIA	Specialty Interest Activity
SLER	Senior Local Employer Representative
Sr VP PSP	Senior Vice President Personnel Support Program
VP CS	Vice President Corporate Services
VP HR	Vice President Human Resources
WHMIS	Workplace Hazardous Materials Information System

Foreword

This audit was included in the NPP Risk-based Audit Plan for Fiscal Years (FY) 2017/18 to 2019/20. The audit objective was to provide assurance on the adequacy and effectiveness of the existing governance framework supporting Specialty Interest Activities (SIA), and to assess compliance with environment, health and safety regulations and policies. The audit's two distinct lines of inquiry are being reported in two separate parts.

Note: Please refer to [Annex A—Management Action Plan](#) for the management response to the ADM(RS) recommendations.

1.0 Introduction

1.1 Background

Specialty Interest Activities (SIA) are an important part of military culture providing military personnel, their families and the broader Defence community an opportunity to socialize and engage in group or individual leisure activities within their local communities. At the individual level, SIAs contribute to physical, social and familial wellness while collectively they help foster esprit de corps and develop unit morale, all with the aim of contributing to operational readiness of the Canadian Armed Forces (CAF).

SIAs on Bases/Wings/Units (B/W/U) can include the following:

- golf clubs
- curling clubs
- marinas and sailing
- horse riding clubs
- rod and gun clubs
- campgrounds and cabins
- food and beverage services

Existing policies permit portions of an SIA operation to be publicly supported based on the premise that CAF personnel and their families should have access to a reasonable level of goods and services similar to a progressive Canadian community. The local public/non-public resources provided may vary over time and between locations depending on resources available and the Commanding Officer's assessment of the SIA's needs against other priorities. The decision to provide additional resources is at the discretion of the Commanding Officer. B/W/U Commanders are ultimately accountable for the SIAs on their B/W/U.

Each SIA facility is expected to comply with the health and safety standards as set forth in section 13 of the Canadian Forces Morale and Welfare Services (CFMWS) Human Resources Policy as well as with a number of federal regulations such as Part II of the *Canada Labour Code* (CLC, Part II), Canada Occupational Health and Safety Regulations and the *Hazardous Products Act*. SIAs may use chemicals, ranging from cleaning products to pesticides, refrigerants and fuel. If not used, stored and disposed of properly, they can cause injury, illness, disease, fire, explosions, property damage or negative environmental impacts.

1.2 Objective

The objectives of this audit were as follows:

- To assess the adequacy and effectiveness of the existing governance framework of SIAs in ensuring that SIAs remain financially sustainable (Part 1); and

- To provide assurance that the existing management control framework ensures compliance with applicable health and safety laws, regulations and policies including the CLC, Part II and Canada Occupational Health and Safety Regulations (Part 2).

1.3 Scope

The scope of Part 1 of the audit included a review of both long and short-term financial plans and results for fiscal years (FY) 2015/16 to 2017/18.

The scope of Part 2 of the audit included the governance framework, occupational health and safety (OHS) committees and health and safety representatives, training and awareness, and incident reporting. The audit also included control activities in support of key OHS legal requirements for the period extending from April 2016 to March 2018 at both the corporate and local levels.

1.4 Methodology

The following methodology was used to conduct the audit:

- Reviews of policies, directives, guidance documents, hazardous occurrence reports and meeting minutes (B/W/U Fund meetings and OHS meetings);
- Site visits to:
 - Kingston: Garrison Golf and Curling Club
 - Borden: Circled Pine Golf and Curling Club, Base Borden Rod and Gun Club
 - Edmonton: Edmonton Garrison Memorial Golf and Curling Club, Edmonton Saddle Club
 - Halifax: Hartlen Point Golf Club, Shearwater Yacht Club, CFB Halifax Curling Club, Falls Lake Cottages and Campgrounds
 - Greenwood: Greenwood Golf Club, Lake Pleasant Cottages and Campgrounds;
- Walkthroughs of SIA facilities at each site visited;
- Examination of SIA financial statements from FY 2015/16 to FY 2017/18; and
- Interviews.

1.5 Audit Criteria

The audit criteria can be found at [Annex B](#).

1.6 Statement of Conformance

The audit findings and conclusions contained in this report are based on sufficient and appropriate audit evidence gathered in accordance with procedures that meet the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. The audit thus conforms to the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* as supported by the results of the quality assurance and improvement program. The opinions expressed in this report are based on conditions as they existed at the time of the audit and apply only to the entity examined.

2.0 Findings and Recommendations

2.1 Non-Public Funds Health and Safety Program

The OHS Program is currently undergoing significant change. The program is in the process of implementing various business modernization initiatives to deliver services more efficiently. One initiative is the implementation of an OHS management solution system which consists of three modules:

- SMAAT - Used to record hazardous occurrences, monthly inspection reports and OHS meeting minutes;
- JOBARIX - Job hazard analysis management software; and,
- PARATOX - Safety data sheet and controlled product inventory.

The SMAAT implementation was completed during the course of this audit, while the implementation of JOBARIX and PARATOX are not yet complete. It is expected that when these three modules are fully implemented, time will be saved and duplication will be reduced by using integrated governmental forms. In addition, they will promote effective monitoring and improvement activities. A comprehensive assessment of their effectiveness could not be performed due to their recent and on-going implementation.

2.2 Governance

The Chief Executive Officer of Non-Public Funds (NPF) is responsible for providing the leadership and commitment to a healthy and safe work environment. The Vice President Human Resources (VP HR) is responsible for providing strategic planning, coordination and organizational support to the National Occupational Health and Safety Policy Committee (NOHSPC). Managers/supervisors ensure that the policy is implemented in their area of responsibility and that persons under their authority are aware of and comply with all applicable OHS requirements. Oversight for the application of health and safety policies is the responsibility of the NPF National Environment Health and Safety Manager.

The CFMWS' OHS management control framework has key components in place to support the CFMWS OHS program. However, opportunities for improvement were identified with regards to clarifying roles and responsibilities specific to the implementation of the OHS program at the local level. In addition, opportunities were identified to facilitate greater collaboration and sharing of information on safety strategies and materials across the Department of National Defence (DND) and CAF safety functions. This cooperation is mutually beneficial and can help avoid duplication of effort as well as provide expertise in OHS matters.

2.2.1 Health and Safety Policies

As per CLC, Part II, subsection 125(1), employers must develop health and safety policies and programs specific to their work place to help ensure compliance with all applicable health and safety regulations. CFMWS has a comprehensive set of policies, directives and program

instruments to guide OHS management. The CFMWS OHS policy aligns with the CLC, Part II and its related regulations. They are available on the CFMWS OHS Portal.

CFMWS and DND have signed a joint statement of understanding regarding the application of OHS policies. As many SIAs operate on land owned by DND, responsibility for health and safety is often shared between various functional authorities. SIAs are subject to routine inspections by DND staff such as the Fire Marshal and Director of General Safety (D Safe G). Non-compliance issues are reported to the B/W/U Commander and, in some cases, may result in a temporary shutdown of the SIA. SIA managers/supervisors are expected to be aware of and comply with all applicable health and safety policies.

2.2.2 Roles and Responsibilities

The OHS management control framework is mainly decentralized. Senior management and managers/supervisors have specific OHS responsibilities, which they are expected to carry out to ensure the safety of staff, members and contractors. Corporate Services is responsible for the management of the National OHS Program. The program falls under the NPF Human Resources Directorate.

Although OHS roles, responsibilities and authorities are established through policy instruments and job descriptions, they are not always clearly and adequately communicated to SIA employees. As a result, some employees were not fully aware of their roles and responsibilities. For example, some Local Occupational Health and Safety Committee (LOHSC) members had not received formal training on their role as committee members. Instead, they learned through their attendance at committee meetings as issues arose. Committee members would benefit from receiving training to ensure they are aware of their roles and responsibilities.

Five organizations (Assistant Deputy Minister (Infrastructure and Environment) [ADM(IE)], D Safe G, Assistant Deputy Minister (Materiel) [ADM(Mat)], Strategic Joint Staff and Canadian Forces Health Services Group) provide policy, guidance and support for OHS issues at SIAs. The audit examined linkages between CFMWS' OHS Program and other organizations on the B/W/Us that have oversight of health and safety issues. Within the structure, there is not a clear overall accountability for OHS, environmental protection and stewardship and hazardous materials management. In many cases these responsibilities are shared, further emphasizing the need to have clear accountabilities.

Co-operation between these functions varies by location. At some SIAs, consultations with the various functional authorities was regular and ongoing, while at others it was limited. For example, changes to an SIA operation must be assessed by Base Environment to ensure that environmental considerations are integrated in the process. Some SIAs had not consulted with the applicable groups in advance and as a result had to allocate additional funds in order to make changes/retrofit to comply with the code of environmental stewardship. Without ongoing consultation with these groups there is a risk that SIAs are not complying with all relevant

legislation or that significant OHS hazards/risks have not been identified or that they are not being treated as significant.

2.2.3 Health and Safety Committees

Organizational and governance structures are required to oversee OHS activities. In alignment with CLC, Part II, an LOHSC, a local OHS Coordinator/Senior Local Employer Representative (SLER), an NOHSPC and the National OHS Program have been established.

The NOHSPC, which is required to meet at least quarterly, did not meet this requirement in 2016 and 2017 due to the unavailability of a union representative. However, the Committee met four times in 2018.

The LOHSC and representatives have been established at each SIA visited. A review of committee terms of reference, memberships and minutes of meetings indicate that the members demonstrate a high level of dedication and commitment to addressing safety issues in the workplace. An opportunity exists to ensure that workplace committees were meeting the required minimum of nine times per year and that quorum is always met.

ADM(RS) Recommendation

1. It is recommended that CFMWS ensure that local accountabilities are clear and communicated, and that collaboration with ADM(IE), D Safe G, ADM(Mat), Strategic Joint Staff and Canadian Forces Health Services Group is regular and ongoing.

OPI: Sr VP PSP

2.3 Controls

The audit examined whether an adequate monitoring and reporting framework has been established to ensure that the OHS program is administered in compliance with legal requirements, appropriately responds to arising issues, and enables informed decision making. Procedures have been established to monitor, measure, assess and report on OHS elements. Policy dictates that hazardous occurrences are to be reported and corrective action taken to ensure that the hazard has been eliminated/mitigated.

2.3.1 Workplace Inspections

Periodic inspections of the workplace enables an organization to identify and address hazards in a timely manner. CLC, Part II paragraph 136(5)(j) states that health and safety representatives shall inspect all or part of the workplace each month to ensure that every part of the work place is inspected at least once each year. Inspections are being conducted; however, some

SIAs were not recording monthly inspections if there were no issues that required attention. As a result, it is difficult to confirm compliance with this legislative requirement.

It is expected that the implementation of SMAAT will help improve the tracking of compliance with this requirement. Going forward, proof of inspection and the observations/findings/recommended actions are required to be recorded in SMAAT within a day of the inspection. The SLER is responsible for monitoring the inspection reports. If a monthly inspection is not recorded, the SLER is responsible for following up to ensure that the inspection is conducted and recorded.

2.3.2 Incident Reporting

As per CLC, Part II and associated regulations, all hazardous situations and occurrences must be reported, recorded and investigated. CFMWS has a formal incident reporting process for accidents and violence-related incidents in the workplace. Records are generated and stored using a combination of electronic and hardcopy formats. As a result of this variation, it was difficult to conclude on the accuracy, integrity and consistency of the data being captured.

The new reporting initiative (SMAAT) will contribute to ensuring that all required information is captured. SMAAT provides a strategic framework for data gathering and analysis which will also improve program monitoring and reporting. Recording all incidents electronically through SMAAT will allow for trend analysis, and supports managers as they will be able to identify and address areas of highest risk.

2.4 Risk Management

2.4.1 Hazard Prevention Program

The Canadian Occupational Health and Safety Regulations require that a hazard prevention program (HPP) be established for specific structures, machinery and equipment in order to avoid failures that could result in a hazard to employees or members.

CFMWS has developed and implemented an HPP program including policies, directives, safe work practices and guidelines. The HPP is generic in nature and requires SIA management to identify hazards and assess risks specific to their own operations, and ensure that steps are taken to mitigate the risk of injury and ensure a safe workplace.

Although a comprehensive set of tools and guidance documents is available to assist with developing site-specific HPPs, these tools were not being used to their full extent at the local level, specifically with regards to the documentation of hazards, formalized risk assessments and job hazard analysis (JHA). There was limited evidence that the generic JHAs were being supplemented with additional information specific to a given SIA. If hazards are not formally identified on a regular basis there is the potential that areas of highest risk are not being

mitigated, therefore increasing the possibility of injury to an individual, and damage to machinery or the environment.

Material Safety Data Sheets (MSDS) list information relating to OHS for the use of various substances and products. MSDS information includes instructions for the safe use and potential hazards associated with a particular material or product, along with spill-handling and emergency procedures in the event of exposure. The employer must ensure that an accurate, up-to-date supplier MSDS is obtained at the time of every sale/importation of a controlled substance.

The data sheet availability, design and content are requirements of Workplace Hazardous Materials Information System (WHMIS) legislation. The MSDS were sometimes not readily available or past their expiry dates. In the event of an incident requiring immediate attention, any delay in accessing the most up-to-date information could result in additional damage or injury. As such, there is an opportunity to improve the management of the MSDS.

As previously noted, during the course of this audit, PARATOX was launched. Once fully populated, PARATOX will serve as a repository of all hazardous substances used by the various NPF operations and will contain current MSDS. Nevertheless, the onus will remain with the SIA employees to ensure that all hazardous substances are recorded in the database.

ADM(Mat) maintains a similar program — Hazardous Materials Reference Application (HMRA). As SIAs operate on DND property, any use of hazardous materials must also be recorded in HMRA.

However, not all SIAs had complied with this obligation. In the event of an incident requiring a response by DND, efforts could be hindered/delayed, potentially creating significant risks to the organization if the response team is unaware of the material/chemical that caused the emergency.

2.4.2 Occupational Health and Safety Training Programs

The provision of employee education and training is an important component of the OHS program as it allows managers, employees and committee members to fully understand their responsibilities with respect to OHS under the CLC, Part II. Web-based OHS training is offered to all SIA employees through the Defence Learning Network (DLN). Training addresses the roles and responsibilities of the employees, employer, manager or supervisor, and OHS committees and representatives.

Managers/supervisors have a role in ensuring that OHS training is taken and that training records are kept up to date. The tracking of training taken by employees, managers/supervisors and committee members is critical for effective planning, monitoring, and ensuring that employees' certifications remain current. Inconsistencies were found in records management practices. Courses taken through DLN are tracked electronically; however, courses taken

elsewhere were not always tracked. For example, in-class courses such as CPR were only recorded if human resources received a copy of the certification from a manager/supervisor. Inconsistent tracking makes it difficult to ensure that all required training has been taken and up to date, thus potentially exposing the organization to compliance and awareness risks.

Managers/supervisors noted that training was not always available in a timely manner due to challenges in obtaining access to DLN for new employees. For example, WHMIS training is a mandatory course for all SIA employees which is delivered through the DLN. Access to the web-based course is dependent on the employee having a DLN account which can sometimes take several weeks. Therefore, these employees may be required to work with hazardous substances without being fully aware of how to safely handle the materials.

ADM(RS) Recommendation

2. It is recommended that CFMWS ensure that each SIA supplement the generic HPP with information specific to their operations. The HPPs should include JHAs that are conducted, maintained, communicated and evaluated at least every three years or whenever there is a change in conditions in respect to the hazards.

OPI: Sr VP PSP/VP HR/VP CS

ADM(RS) Recommendation

3. It is recommended that CFMWS ensure SIA staff are provided access to OHS-specific training prior to handling hazardous materials and that training records are consistently maintained and monitored so that required certifications are renewed prior to expiry.

OPI: Sr VP PSP/VP HR

3.0 General Conclusion

The CFMWS National OHS Program promotes OHS as a part of its corporate culture, and integrates OHS into its management and decision-making processes.

The audit identified a number of good practices such as developed health and safety policies and procedures, established OHS committees, and mandatory health and safety training. However, compliance with key legislative requirements, such as the frequency of OHS committee meetings and work place inspections, was inconsistent.

Opportunities for improvement were identified with regards to clarifying roles and responsibilities specific to the implementation of the OHS program at the local level. In addition, opportunities were identified to facilitate greater collaboration and sharing of information on safety strategies and materials across DND/CAF safety functions. This cooperation is mutually beneficial and can help avoid duplication of effort and confusion as well as provide expertise in OHS matters.

Annex A—Management Action Plan

Health and Safety Committees

ADM(RS) Recommendation

1. It is recommended that CFMWS ensure that local accountabilities are clear and communicated, and that collaboration with ADM(IE), D Safe G, ADM(Mat), Strategic Joint Staff and Canadian Forces Health Services Group is regular and ongoing.

Management Action

CFMWS will develop a responsibilities matrix for SIA accountabilities/roles/responsibilities and communicate to SIA management and/or SLERs through senior managers PSP by March 31, 2020.

OPI: Sr VP PSP

Target Date: March 31, 2020

Occupational Health and Safety Training Programs

ADM(RS) Recommendation

2. It is recommended that CFMWS ensure that each SIA supplement the generic HPP with information specific to their operations. The HPPs should include JHAs that are conducted, maintained, communicated and evaluated at least every three years or whenever there is a change in conditions in respect to the hazards.

Management Action

CFMWS will conduct a JHA for SIA operations in FY 2020/21.

CFMWS has released an online catalog of hazardous products (with training), PARATOX, in April 2019.

OPI: Sr VP PSP/VP HR

Target Date: March 31, 2021

ADM(RS) Recommendation

3. It is recommended that CFMWS ensure SIA staff are provided access to OHS-specific training prior to handling hazardous materials and that training records are consistently maintained and monitored so that required certifications are renewed prior to expiry.

Management Action

CFMWS will deploy an NPP laptop to each SIA by May 31, 2021 to increase access to online OHS training for SIA staff. In addition, CFMWS will review the management of training/certifications records and existing onboarding processes to ensure safe practices and accurate record reporting by May 31, 2021.

OPI: Sr VP PSP/VP HR

Target Date: May 31, 2021

Annex B—Audit Criteria

The existing management control framework ensures compliance with applicable occupational health and safety and environmental regulatory requirements.

1. Policies, procedures and guidelines are in place and consistently enforced.
2. Defined roles, responsibilities and authorities are documented, communicated and understood.
3. Procedures to identify the potential risks and to address the identified risks are in place.
4. Effective monitoring processes, assessment of results and corrective measures are in place to ensure compliance with pertinent legislative and regulatory requirements.
5. Training is provided to employees, supervisors and managers to ensure they carry out their duties in accordance with applicable legislation (environmental and health and safety).