

September 15, 2005

**Internal Audit Report 2005-10
Safety Procedures and Records
Port of Anchorage**

Introduction. The Port of Anchorage (Port) is a Municipal owned facility that began operations in September 1961. The Port consists of a 129-acre industrial park of which approximately 81 acres are under long term lease to various Port users including Flint Hills Resources, Horizon Lines, Tesoro Alaska Co., and Totem Ocean Trailer Express. Additionally, there are 31 acres for the staging and storage of marine cargo in transit. Currently, the Port is in the midst of an expansion program that will increase its size and better serve its clients.

The Port is responsible for the maintenance and repair of all common areas including the dock facility, roadways, guard rails, fencing, signs, the Port office building, and the Port Maintenance Facility. They are also responsible for Port lighting, snow removal, sanding, street sweeping, and general housekeeping of the facility. Additional responsibilities include support of cruise ships and naval vessels from the United States and abroad.

Objective and Scope. The objective of this audit was to determine the adequacy of operational safety procedures and records at the Port. Specifically, we reviewed 2000 through 2003 incident/accident reports, 2002 through 2004 Occupational Safety and Health Administration (OSHA) logs, safety meeting reports, Municipal loss reports, as well as OSHA regulations, Anchorage Municipal Code, Municipal Policies and Procedures, and job descriptions. We also conducted interviews with Port, Terminal Operator and Municipal personnel, and documented safety hazards for three days with digital photography. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and other auditing

procedures as we considered necessary in the circumstances. The audit was performed during the period of June through July 2005. The audit was requested by the Port Administration.

Overall Evaluation. The Port did not have an effective and comprehensive safety program. Specifically, the personal protective equipment policy was not enforced, there was no officially designated safety officer, an OSHA required workplace hazard assessment report had not been prepared, and the Port safety and health manual was not complete. In addition, the Terminal Operator Permits did not address safety roles and responsibilities. We also did not find any recent documentation indicating accident investigations, cause analysis and prevention methods. During the course of our audit, we noted and documented numerous safety violations at the Port. We also did not find a record of any visits by the Municipal Safety Director to the Port. The Port Maintenance Shop does conduct monthly safety meetings and has a good safety record of one OSHA recordable injury per year for 2002 thru 2004.

FINDINGS AND RECOMMENDATIONS

1. Port Safety Program Not Comprehensive and Effective.

- a. Finding.** Although elements of a safety program existed at the Port's Maintenance Shop, there was no comprehensive and effective safety program to identify hazards and prevent accidents. According to Municipal Policy and Procedure 56-4, 5.a, Municipal Safety Program, a safety program is, "A program designed to identify and correct potential accident problems before they result in actual financial loss or injury."

As there was no effective safety program, twenty-four safety hazards that could lead to serious injuries were easily identifiable. These hazards included an eyewash station that was blocked by two rag cans and a soiled coverall bin, two gas powered trimmers with full tanks of fuel within 10 feet of the welding table, an unmarked oil storage tank, flammables not properly stored in an approved

flammable liquid safety storage cabinet, damaged or missing guard rails, an electrical hazard (Exhibit A), three tripping hazards (Exhibit B), and no personal protective equipment policy. In addition, nineteen of the twenty-four hazards violated OSHA standards and could have resulted in penalties.



EXHIBIT A - Electrical Hazard on the Dock



EXHIBIT B - Shop Tripping Hazard

- b. **Recommendation.** The Port Director, with the assistance of the Municipal Safety Director, should ensure that a comprehensive and effective safety program is implemented.
- c. **Management Comments.** Management stated, “The Port concurs that its internal safety program needs to be improved in order to adequately identify hazards and prevent accidents. The Port will meet with its tenant companies to communicate its safety concerns and promote the establishment of a safety committee that meets quarterly to review safety issues with Port users.

“The 12 specific safety hazards identified in the report have been corrected.”

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

2. Personal Protective Equipment Policy Not Enforced.

- a. **Finding.** Our review revealed that the Port did not always enforce their personal protective equipment policy. During our audit, we observed four incidents involving personnel not wearing personal protective equipment such as hard hats (Exhibit C), steel toe boots, safety glasses, or high visibility vests while on the dock. Per OSHA 29CFR1910.132(a) “Protective equipment, including personal protective equipment for eyes, face, head, and extremities, protective clothing, respiratory devices, and protective shields and barriers, shall be provided, used, and maintained in a sanitary and reliable condition wherever it is necessary by reason of hazards of processes or environment, chemical hazards, radiological hazards, or mechanical irritants encountered in a manner capable of causing injury or impairment in the function of any part of the body through absorption, inhalation or physical contact.” OSHA further reiterates the personal protective equipment requirements for marine terminals and longshoring operations in 29CFR1917 Subpart E and OSHA 29CFR1918 Subpart J.



EXHIBIT C - No Hard Hat in “Hard Hat Mandatory” Area

b. **Recommendation.** The Port Director should ensure their personal protective equipment policy is enforced. Whenever employees, contractors, terminal operators and visitors are in personal protective equipment designated areas, the Port should ensure protective equipment is worn at all times.

c. **Management Comments.** Management stated, “The Port concurs with this finding and intends to continue to work with our customers and tenants to ensure the Port’s personal protective equipment policy is enforced. However, it is our opinion that each company is responsible for its own safety program and the conduct of its employees. We can, and will, report violations of safety procedures to tenant companies whenever they are observed. The Port will also post appropriate signage on the dock that indicates the need for personal protective equipment and the observance of safety procedures in designated areas, and will require its terminal operators to certify that they have a safety program in effect that meets OSHA standards.

“The Port has conducted an audit of its own employees and has verified that all have appropriate personal protective equipment and will ensure that the equipment is used when required. Additionally, the appropriate signage for posting on the dock has been ordered and will be installed within 90 days.”

d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

3. **Port Safety Officer Not Officially Designated.**

a. **Finding.** A Port Safety Officer had not been officially designated. Although the Port Maintenance Journeyman was verbally identified as the person responsible for safety for the maintenance shop, equipment and

personnel, nowhere in his job description were safety duties specified or required. In addition, he had attended only two OSHA related classes and had not received any support/direction from the Municipal Safety Director. Finally, instead of reporting to upper management, the Port Maintenance Journeyman reported safety issues to the Port Maintenance Supervisor. Reporting to upper management would help ensure autonomy for the Port Safety Officer, eliminate the potential that reported safety hazards may be discredited by an immediate supervisor, and add credibility to the safety program.

- b. **Recommendation.** The Port Director should designate a Port Safety Officer who reports to upper management concerning all safety issues. This individual should receive appropriate training, as well as regular monitoring and assistance, from the Municipal Safety Director. Responsibilities for the Port Safety Officer should include implementation of an effective safety program, coordination and oversight of accident/incident analysis, making recommendations to correct deficiencies to help ensure the incident/accident does not recur, and dissemination of that information to Port personnel and Terminal Operator Permit holders.

- c. **Management Comments.** Management stated, “The Port concurs with this finding and has officially designated an individual to fill this position with the recommended responsibilities. Furthermore, the Port has requested an additional maintenance position in its 2006 budget request in order to dedicate a full-time *safety and records officer* position in the maintenance division. Also, per the audit recommendation, we have changed the reporting function of the *safety and records officer* so that the position now reports to the Manager of Maintenance and Operations. Furthermore, the Port is seeking additional safety training for this designated employee in order to better acquaint him with OSHA compliance and record keeping. This finding has been implemented.”

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

4. **Incomplete Safety and Health Manual.**

- a. **Finding.** Although the Port did have a “Written Communication Programs” manual, it only contained 4 of the 15 OSHA mandated elements of a written safety and health plan, and was not complete. OSHA requires a written safety and health program that contains the elements mandated in 29CFR1904, 29CFR1910, 29CFR1917 and/or 29CFR1918. A partial list of the fifteen mandated elements include:

- record keeping regulations for accidents and incident reporting
- personal protective equipment policy
- control of hazardous energy policies and procedures
- powered industrial truck policy and procedures
- hazard communication policy

Additional OSHA recommended elements of a safety and health manual included ergonomics, workplace violence, job hazard analysis, accident prevention and inspection checklists. A complete safety and health manual should communicate safety policies and procedures to enable employees to conduct their work in an accident free environment.

- b. **Recommendation.** The Port Director, with the assistance of the Municipal Safety Director, should ensure a written safety and health manual is written that complies with OSHA regulations.
- c. **Management Comments.** Management stated, “The Port concurs with this finding. The *safety and records officer* is completing the manual in order to comply with OSHA regulations. Furthermore, the Port has engaged a safety consultant in order to better train the Port safety officer

in OSHA compliance and record keeping. This finding will be implemented in 60 days.”

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

5. **Workplace Hazard Assessment Not Performed.**

- a. **Finding.** A review of the Port’s files and discussions with Port and Municipal management revealed that a workplace hazard assessment had never been conducted. Per OSHA 1910.132(d)(1) “The employer shall assess the workplace to determine if hazards are present, or are likely to be present, which necessitate the use of personal protective equipment.” A workplace hazard assessment identifies areas such as hearing conservation, personal protective equipment, chemicals, ergonomics and impact hazards, and establishes requirements to minimize these hazards to the employee.
- b. **Recommendation.** The Port Director, with the assistance of the Municipal Safety Director, should ensure a workplace hazard assessment is completed and requirements established to minimize those hazards to the employees.
- c. **Management Comments.** Management stated, “The Port concurs with this finding and has asked the Municipal Safety Officer to help the Port with its hazard assessment. The Municipal Safety Officer has agreed to the request. This finding will be implemented in 90 days.”
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

6. Terminal Operator Permits Lack Safety Clause.

- a. **Finding.** Our review of five of the Terminal Operator Permits revealed they did not address safety procedures and roles/responsibilities for the Port's common areas, including the roadways and dock. For example, the Terminal Operator Permits did not contain specific clauses concerning accidents, accident reporting, accident investigations or safety requirements for the Port, including speed limits, methods of reporting safety hazards, or required personal protective equipment.
- b. **Recommendation.** The Terminal Operator Permits should be amended to ensure appropriate language is included that addresses safety policies/procedures and roles/responsibilities of the Port and the Terminal operators.
- c. **Management Comments.** Management stated, "The Port concurs with this finding and will require its terminal operators to certify that they have a safety program in effect that meets OSHA standards. This finding will be implemented as new permits are renewed over the next 12 months."
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

Discussion With Responsible Officials. The results of this audit were discussed with appropriate Municipal officials on July 20, 2005.

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