



Claims Management Systems Audit Report

Australian Postal Corporation (APC)

12-16 & 26-30 October 2009

Commercial-in-Confidence

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SCOPE OF AUDIT

<i>Organisation</i>	<i>Australian Postal Corporation</i>
<i>Site/Workplace</i>	<i>Level 14, 321 Exhibition Street, Melbourne (CIPMU)</i> <i>Level 8, 321 Exhibition Street, Melbourne (WIPMU Vic/Tas)</i> <i>Level 2, 219 Cleveland Street, Sydney (WIPMU NSW/ACT)</i>
<i>Scope of Audit</i>	<p>The audit examined the <i>Australian Postal Corporation's (APC)</i> claims management systems, processes and outcomes to validate that <i>APC</i> is meeting its licence conditions and is complying with the <i>Safety, Rehabilitation and Compensation Act 1988 (SRC Act)</i>.</p> <p>100 claim files were examined by the auditors. These files were randomly selected from a list of all workers' compensation claims made by <i>APC</i> employees where some activity had occurred in the previous 12 months.</p> <p>The audit encompassed a review of all relevant policies and procedures as they relate to claims management and any other relevant, supporting documentation. Interviews were also conducted with claims management staff at <i>APC</i>.</p> <p>Overall findings are based on the identification of issues that are considered to be systemic rather than isolated incidents.</p>
<i>Audit Criteria</i>	<p>This audit assessed the claims management system against five elements:</p> <ol style="list-style-type: none">1. Commitment and Corporate Governance (6 criteria)2. Planning (6 criteria)3. Implementation (24 criteria)4. Measurement and evaluation (8 criteria), and5. Review and improvement (2 criteria).
<i>Ratings</i>	<p>The findings in the audit report have been classified and marked as follows:</p> <p>Conformance: indicates that the criterion has been met. Non-Conformance: indicates that the criterion has not been met. Not Able to Verify: indicates that the organisation has documented procedures in place however there are no cases to test that the organisation has followed those procedures. It is expected that this classification will only be used in limited circumstances and where applied, the reasons for the finding will be explained by the auditor. Not Applicable: indicates that the criterion does not apply to the licensee.</p>

Where a criterion has been met but the auditor has identified a ‘once off’ situation or a ‘minor’ deviation from the documented management system or reference criterion, an **Observation** may be made. These findings, while representing a non-fulfilment of a requirement, are recognised as being of lower risk to the organisation.

- Date(s) of audit*** 12-16 October and 26-30 October 2009.
- Auditors*** ***Paul McInerney, Maree Sherwood, Evan Hancock, Lyn Dare, Paul Sabo & Matt Bayley***
Self Insurance Section, Comcare.
- Client contacts:*** Michael Halloran, Alfred Tuet, Glen Marks, Peter Bodnarcuk, Leigh Stone, Andrew Hewitt, Chris Wilson, and Melanie Loughman.
- Record of audit:*** This report contains a summary of the audit outcomes. Detailed information is not recorded in the report. A record of the documentation and records sighted, persons interviewed, observations and auditor comments are retained on Comcare’s file.
- Acknowledgement:*** Comcare wishes to acknowledge the cooperation and assistance provided by the management and staff of **APC** and thank them for their contribution to the audit process.
- Conflict of Interest*** The auditors declare that there is no conflict of interest between them and the organisation being audited, or those people representing the auditee.

EXECUTIVE SUMMARY

It was clear that APC, through its senior management in the Corporate Injury Prevention & Management (CIPM) area, and the operational teams in Workplace Injury Prevention Management (WIPM) area is committed to providing effective and fair claims management services to its employees. APC has been a licensed self-insurer for two decades, and this is reflected in the maturity of its systems, and the overall quality of claims management. It was also evident that APC is committed to continuous improvement and innovation. This is reflected in the excellent outcome against the audit criteria.

There was only one area of non-conformance (with three areas requiring corrective actions) relating to the calculation and payment of incapacity benefits. Although it is noted that the vast majority of injured employees were being paid their correct entitlements, the areas of non-conformance are systemic. Two observations also relate to this area. Considering that 100 files (and in excess of 1000 decisions) were examined, decision-making was considered generally to be of a high standard. However, it was not evident that determinations were being issued under section 29 and 39 in all instances. Individual file findings are noted at the end of this report.

The use of Facility Nominated Doctors (FNDs) was examined only where it fell within the scope of this audit. Where FNDs were involved in claims matters, it was either because the FND had become the claimant's treating doctor; the referral was made under section 36 (Rehabilitation Assessment) and copied to the claims file; or a 'Fitness for Duty' (FFD) Assessment had been requested prior to the claim being determined under APC's Injury Management (Early Intervention) Program. Section 57 powers were not used to send claimants to FNDs.

Where the FND had become the treating doctor, and this occurred often, the evidence analysed at audit showed appropriate certification, medical restrictions and capacity being identified, and the opinion being considered in deciding incapacity payments and developing an appropriate rehabilitation program. Only two examples were identified where a FFD report had been used in claims management, having been obtained prior to the liability decision, and where the opinion of the FND was preferred to that of a treating doctor on the question of incapacity (not liability). Although this is contrary to APC's stated policy, it is within the discretion of the delegate to consider any evidence available to them. Therefore, the auditors make no adverse findings in this regard. Otherwise, the Injury Management (Early Intervention) Program is considered outside the scope of this audit.

Further comment on the use of FNDs in the rehabilitation process is contained in the audit report pertaining to that function.

There was effective communication and integration of both rehabilitation and claims management functions, and good communication with employees throughout the entire injury management process, for both new and long-term claims.

Overall, the claims management system at APC is performing to a high standard.

NON-CONFORMANCES

Three non-conformances were identified during the audit. They are:

Criterion	Non-conformance
3.3.4	<ol style="list-style-type: none">1. Section 8 determinations are not being made initially, or when NWE changes, as required by the SRC Act.2. Section 19(3) calculations [post 45 weeks] are not being made correctly in all cases.3. Determinations under subsection 19(4) not made or not made correctly.

OBSERVATIONS

Eight observations were identified during the audit. They are:

Criterion	Observation
3.3.2	<ol style="list-style-type: none">1. Section 57 procedures not applied correctly in all cases.2. APC does not have a policy or procedure on managing overpayments and/or restricting delegation for waiving and writing-off debts.
3.3.4	<ol style="list-style-type: none">3. Seasonal overtime adjustments to NWE under section 8 are not being applied consistently within APC.4. Some determination letters cite both section 19 and subsection 37(5) for the same period of incapacity.
3.3.5	<ol style="list-style-type: none">5. Determinations were not issued under section 29 and/or section 39 in all instances.
3.7.1	<ol style="list-style-type: none">6. AAT 'terms of settlement' include matters outside the scope of the SRC Act (requirement of resignation).
3.9.1	<ol style="list-style-type: none">7. Information about other employees was observed on some files.
3.10.1	<ol style="list-style-type: none">8. The practice of annotating a file note as "do not page number" does not necessarily override the requirement to release the document under section 59.

In summary, for the 46 criteria within the claims management systems audit tool, the outcomes are:

	Number of criteria	% of assessed criteria achieved/not achieved
Conformance	45	98%
Non-conformance	1	2%
Not able to Verify	0	
Not Applicable	0	

An action plan, which includes completion/review dates and responsibilities, must be developed by **18 December 2009** to address each of the audit findings. The action plan must be provided to Comcare within the requested timeframe.

The auditors invite **APC** to discuss any aspect of this audit report with Comcare.

Signed:

Signed:

Auditor name:

Auditor name:

Date:

Date:

Signed:

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Auditor name:

Auditor name:

Date:

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Auditor name:

Auditor name:

Date:

Date:

TABLE OF CRITERIA

⌚: this symbol indicates that only these criterion will be relevant when undertaking a post licence evaluation.

Audit Element/Criterion Description	Criterion	Rating
1. Commitment and Corporate Governance		
1.1 Documented Commitment		
Documented Commitment	1.1.1 ⌚	Conformance
1.2 Corporate Governance		
Recognises legislative obligations	1.2.1 ⌚	Conformance
Continuous improvement	1.2.2 ⌚	Conformance
Communication of information	1.2.3 ⌚	Conformance
Internal and external accountability	1.2.4 ⌚	Conformance
Risk management	1.2.5 ⌚	Conformance
2. Planning		
2.1 Claims Management Planning		
Legislative compliance	2.1.1 ⌚	Conformance
Objectives, targets, performance measures	2.1.2 ⌚	Conformance
Effective claims management	2.1.3 ⌚	Conformance
Training	2.1.4 ⌚	Conformance
2.2 Administrative Arrangements		
Administrative and financial limitations	2.2.1 ⌚	Conformance
Documented procedures for compensation	2.2.2 ⌚	Conformance
3. Implementation		
3.1 Resources		
Adequate resources	3.1.1 ⌚	Conformance
Training (implementation)	3.1.2 ⌚	Conformance
3.2 Communication and Awareness		
Communication – relevant stakeholders	3.2.1 ⌚	Conformance
Employees are aware of rights	3.2.2 ⌚	Conformance
3.3 Application of the Legislation		
Compliance with legislation	3.3.1 ⌚	Conformance
Powers under the Act	3.3.2 ⌚	Conformance *
Initial Liability	3.3.3 ⌚	Conformance

Audit Element/Criterion Description	Criterion	Rating
Determining incapacity	3.3.4 ☹	Non Conformance *
Determining benefits	3.3.5 ☹	Conformance *
Determining permanent impairment awards	3.3.6 ☹	Conformance
Transitional provisions	3.3.7	Conformance
3.4 Informing and Consulting		
Informing injured employees	3.4.1 ☹	Conformance
Consultation between all parties	3.4.2 ☹	Conformance
3.5 Claims Reviews		
Natural Justice	3.5.1 ☹	Conformance
Manner in which claims are to be reviewed	3.5.2 ☹	Conformance
3.6 Reconsiderations and AAT		
Compliance with reconsideration provisions	3.6.1	Conformance
Informs Comcare of AAT proceedings	3.6.2	Conformance
3.7 Commission Guidelines		
Commission Settlement Guidelines	3.7.1	Conformance *
3.8 Surveillance		
Policy on covert surveillance	3.8.1 ☹	Conformance
Applications for covert surveillance	3.8.2 ☹	Conformance
Authority for covert surveillance	3.8.3 ☹	Conformance
Written instructions to operative	3.8.4 ☹	Conformance
3.9 Confidentiality		
Privacy and confidentiality	3.9.1 ☹	Conformance *
3.10 Document Management		
Reporting, records, documentation	3.10.1 ☹	Conformance *
4. Measurement and Evaluation		
4.1 Monitoring		
Monitoring core claims activities	4.1.1 ☹	Conformance
4.2 Auditing		
Internal audits	4.2.1	Conformance
Conduct of audits (competent personnel)	4.2.2	Conformance
Conduct of audits (Commission)	4.2.3	Conformance
Outcomes of audits are actioned, reviewed	4.2.4	Conformance
Outcomes of audits are communicated	4.2.5	Conformance

Audit Element/Criterion Description	Criterion	Rating
4.3 Reporting		
Reporting on system performance	4.3.1	Conformance
Provides reports to the Commission	4.3.2	Conformance
5. Review and Improvement		
5.1 Continuous Improvement		
Analyses and identifies continuous improvement	5.1.1	Conformance
Promotes continuous improvement	5.1.2	Conformance

* Indicates “with observation(s)”

ELEMENT 1: COMMITMENT AND CORPORATE GOVERNANCE

1.1 Documented Commitment

1.1.1 ☺

The licensee sets the direction for its claims management system through a documented commitment by senior executive.

Finding: Conformance

Evidence:

- Injury Management Strategy v1.0 23/10/09
- Injury Management 'Strategy on a Page' 2009/10-2011/12 v4 21/9/09
- Injury Management Framework (Draft) 9/09
- Human Resources 2009/10-2011/12 'Strategy on a Page' (undated)
- Workplace Injury Prevention & Management (WIPM) (Mail & Networks Division) 2009/2010 Projects Plan "In Synchronicity" (undated)

Comment:

The three-year Corporate Injury Prevention & Management (CIPM) strategic plan sets the vision for APC – “As a highly recognised leader in the industry Australia Post’s injury management function is innovative, consistent and seamless across all business interests to control and minimise the impact of workplace injury to employees, our customers and the business...”.

The Strategic Plan also sets the ‘mission’ for CIPM: “The Injury Management area is responsible for the effective management of workplace injuries and claims arising from those injuries in accordance with legislative and regulatory requirements. Through continuous improvement of systems and the earliest possible delivery of benefits, including rehabilitation and return to work assistance, the injury management area will minimise the impact of injury.”

The Strategic Plan sets out a number of goals to be achieved over the three years, using the model of (1) “Where are we today?” (situational analysis); (2) “Where are we going and how will we know when we get there?”; and (3) “How are we going to get there?” – which in turn sets out 6 strategies and 20 goals.

This has been signed off by senior management. The CIPM Strategic Plan sits under the broader ‘Human Resources Strategic Plan’. This plan includes a Key Performance Indicator (KPI) on improving the Lost Time Injury Frequency Rate (LTIFR) from 7% to 5%.

The CIPM Strategic Plan then feeds into the WIPM Projects Plan (WIPM is the ‘operational’ injury management unit). This plan has four major initiatives in rehabilitation, workers compensation, litigation and OHS. This plan then sets 9

specific KPIs for the Workplace Claims Solutions (WCS) team which are included in individual performance plans, and are reported against (for example: “Average time to determine new claims from date of receipt to be less than 15 days for injury claims and 30 days for disease claims”).

The (draft) ‘Injury Management – Management System Framework’ includes objectives, framework, continuous improvement, corporate governance, audit programs, business planning, the IM Strategic Plan, work programs, capability and resourcing, data analysis, reporting and communication channels.

The Strategic Plan was considered to be an excellent document, clear and easy to understand and demonstrated senior management commitment and involvement in setting the direction of the injury management system.

1.2 Corporate Governance

1.2.1 ☹

The licensee’s claims management system recognises legislative obligations.

Finding: Conformance

Evidence:

- Injury Management Strategy v1.0 23/10/09
- Injury Management ‘Strategy on a Page’ 2009/10-2011/12 v4 21/9/09
- Injury Management Framework (Draft) 9/09
- Human Resources 2009/10-2011/12 ‘Strategy on a Page’ (undated)
- Workplace Injury Prevention & Management (WIPM) (Mail & Networks Division) 2009/2010 Projects Plan “In Synchronicity” (undated)
- Compensation Training & Development Plan (2009) [WIPM Vic/Tas]
- Various job descriptions
- Legal subscriptions – AGS, Phillips Fox, Sparke Helmore, CCH
- Monthly team meeting minutes [WIPM Vic/Tas] 30/9/09

Comment:

This is noted in the ‘mission statement’ (see 1.1.1) and included in the goals and strategies of the Strategic Plan; and in the KPIs of the WIPM Projects Plan.

Position descriptions for roles in CIPM and WIPM include “excellent working knowledge and experience in the SRC Act...”

The minutes of the WIPM monthly meetings demonstrate that a standing agenda item for discussion is “JPAs and legal advice”. There is also an annual planning day for all IM staff.

APC has developed ‘Claims Management Advices’ and ‘Staff Instructions’ and has in place a training development plan to ensure legislative compliance is met.

Legal subscriptions help ensure that legislative change is noted and implemented.

1.2.2 ☺

The licensee's claims management system promotes the principle of continuous improvement and provides for effective workers' compensation arrangements.

Finding: Conformance

Evidence:

- Injury Management Strategy v1.0 23/10/09
- Injury Management 'Strategy on a Page' 2009/10-2011/12 v4 21/9/09
- Injury Management Framework (Draft) 9/09
- Human Resources 2009/10-2011/12 'Strategy on a Page' (undated)
- Workplace Injury Prevention & Management (WIPM) (Mail & Networks Division) 2009/2010 Projects Plan "In Synchronicity" (undated)
- IRIS (computer system)
- HR KPI Scorecard
- Workers Compensation Legal Bulletin
- Corporate Management Licence Improvement Program (CLIP)
- Individual Performance Objectives Worksheets 2009 (4 positions)
- Executive Reports – e.g. X2 Claims System Improvement Program Report Wednesday 7/10/09 10.16.56 (15 pages)

Comment:

This is noted in the 'mission statement' (see 1.1.1) and included in the goals and strategies of the Strategic Plan; and in the KPIs of the WIPM Projects Plan.

The Individual Performance Objectives Worksheets for the senior management positions in CIPM include 6 objectives and performance targets – including continuous improvement targets that are reported against.

The Claims System Improvement Program Report 7/10/09, for example at p5, lists 11 different performance measures with targets and 'minimum performance', below which, action must be taken.

The CLIP reports (mirroring Comcare's LIP report) also drives continuous improvement, including internal auditing programs. The IRIS computer system monitors changes and recommendations from the internal audit program and will escalate action items if they are not completed by due date. Each state undertakes its own review of the system. The 'HR KPI Scorecard' reflects reporting upwards to senior management. WIPM send monthly management reports to the national manager, who reports to the MND executive.

Examples of recent improvements include the new divisional suite of standard

letters (developed April 2009) and litigation surveys.

1.2.3

The licensee's claims management system promotes communication of relevant information to employees.

Finding: **Conformance**

Evidence:

- Notice Board – Information Bulletin 8/10/09 ‘SRC Act Licence Extension’
- The Workers Compensation & Rehabilitation Process Explained v3 October 2008 (43 pages)
- Induction ‘Welcome to Post’ (booklet)
- Claims Pack
- P400 ‘Incident Report / Investigation and Action Report (May 01)

Comment:

Employees have access to information about the claims management system. All information is available on PostNet (intranet) as well as part of induction; and again when an incident is notified.

WIPM (NSW) is currently undertaking a project reviewing the information available of the intranet.

1.2.4

The licensee's claims management system provides for internal and external accountability.

Finding:  **Conformance**

Evidence:

- Injury Management Strategy v1.0 23/10/09
- Injury Management ‘Strategy on a Page’ 2009/10-2011/12 v4 21/9/09
- Injury Management Framework (Draft) 9/09 – Attachment A ‘Responsibility & Accountability Statement’
- Human Resources 2009/10-2011/12 ‘Strategy on a Page’ (undated)
- Workplace Injury Prevention & Management (WIPM) (Mail & Networks Division) 2009/2010 Projects Plan “In Synchronicity” (undated)
- IRIS (computer system)
- HR KPI Scorecard
- Individual Performance Objectives Worksheets 2009 (4 positions)

- Executive Reports – e.g. X2 Claims System Improvement Program Report Wednesday 7/10/09 10.16.56 (15 pages)
- Various job descriptions
- Australia Post Workers Compensation Legal Panel Relationship Agreement [Panel Firm] 4/12/02

Comment:

The Individual Performance Objectives Worksheets for the senior management positions in CIPM include 6 objectives and performance targets – including responsibility for implementing the IM strategy, and for IM team performance. The job descriptions for each position include “major responsibilities...”

The Strategic Plan includes KPIs that are measured and reported against. Monthly reports monitor performance and are reported to executive. The IRIS system monitors implementation of action items by responsible individuals.

Schedule 1 of the Legal Panel Relationship Agreement includes ‘Key Performance Indicators’ at Item 3.3 “The Firm’s obligations: These include: “Compliance with legislative requirements” and “Compliance with performance standards”.

APC also implements its CLIP program, reports to Comcare with the LIP report, and reports to the SRCC on its performance against the Commission indicators.

1.2.5

The licensee’s claims management system includes appropriate control structures to manage risk.

Finding: Conformance

Evidence:

- Injury Management Strategy v1.0 23/10/09
- Injury Management ‘Strategy on a Page’ 2009/10-2011/12 v4 21/9/09
- Injury Management Framework (Draft) 9/09
- Human Resources 2009/10-2011/12 ‘Strategy on a Page’ (undated)
- Workplace Injury Prevention & Management (WIPM) (Mail & Networks Division) 2009/2010 Projects Plan “In Synchronicity” (undated)
- IRIS (computer system)
- Valuation of Outstanding Claims Liability at 30/6/09 (Main Report) by KPMG Actuaries Pty Ltd

Comment:

The CIPM Strategic Plan includes a ‘situational analysis’ where risks are identified and strategies developed to manage them. There is quarterly actuarial analysis of work and costs, and extensive reporting of trend analysis. The KPMG reports feed

into the Case Estimates for each claim.

The CLIP process is a control mechanism to identify weaknesses in the IM system. IRIS captures the outcomes and ensures corrective actions from internal or external audits are implemented.

ELEMENT 2: PLANNING

2.1 Claims Management Planning

2.1.1 ☺

The licensee's claims management system plans provide for legislative compliance.

Finding: Conformance

Evidence:

- Injury Management Strategy v1.0 23/10/09
- Injury Management 'Strategy on a Page' 2009/10-2011/12 v4 21/9/09
- Injury Management Framework (Draft) 9/09
- Workplace Injury Prevention & Management (WIPM) (Mail & Networks Division) 2009/2010 Projects Plan "In Synchronicity" (undated)
- Individual Performance Objectives Worksheets 2009 (4 positions)
- Corporate Management Licence Improvement Program (CLIP) – Litigation Management Program
- WIPM 'QA Task Action Plan 01/01/09 to 31/12/09'

Comment:

In addition to the comments at 1.2.1 the following is noted:

APC has a number of Staff Instructions covering legislative compliance.

An excellent example of the Strategic Plans working at the operational level is the QA Task Action Plan which identifies 21 tasks and numerous actions to be completed over the year that will ensure legislative compliance (including training).

2.1.2 ☺

The licensee's claims management system plans include objectives, targets and performance measures.

Finding: Conformance

Evidence:

- Injury Management Strategy v1.0 23/10/09
- Injury Management 'Strategy on a Page' 2009/10-2011/12 v4 21/9/09
- Injury Management Framework (Draft) 9/09
- Workplace Injury Prevention & Management (WIPM) (Mail & Networks Division) 2009/2010 Projects Plan "In Synchronicity" (undated)

- Individual Performance Objectives Worksheets 2009 (4 positions)
- Individual Performance Plans
- MND HR Managers Report (monthly)
- Systems Improvement Program report (SIP) – monthly – sent to all operational areas (sighted 1/7/09 – 30/9/09)
- WIPM Vic/Tas Cost Report August 09 (monthly)
- Total Cost Comparison Report
- Key Performance Indicators report 2008/2009 (monthly)

Comment:

CIPM ‘Strategic Plan’ has set goals and objectives for the next three years.

The WIPM Business Plan has set the KPIs for 2009/10. Numerous reports are generated on a monthly basis to track performance against objectives, targets and performance measures. In particular, the SIP report and KPI report tracks performance against targets. The SIP report also tracks performance against the SRC Commission indicators. The ‘Cost Report’ looks at trends. The ‘Total Cost Comparison Report’ breaks down medical costs by item.

The WCS calendar shows when each report is due.

There are also bi-monthly case conferences to discuss implications from the Cost Report. Monthly reports from WIPM go to MND Executive.

See also comments at 1.1.1

2.1.3 ☺

The licensee’s claims management system plans provide for equitable, efficient and effective claims management.

Finding: Conformance

Evidence:

- Injury Management Strategy v1.0 23/10/09
- Injury Management ‘Strategy on a Page’ 2009/10-2011/12 v4 21/9/09
- Injury Management Framework (Draft) 9/09
- Workplace Injury Prevention & Management (WIPM) (Mail & Networks Division) 2009/2010 Projects Plan “In Synchronicity” (undated)
- Corporate Human Resources Group SRC Act Delegation Manual (May 2009)
- Numerical Listing of Staff Instructions (SI series) *
- List of Current Claims Management Advices *
- List of Claims Manager’s Toolkits *
- List of MND Divisional Advices *

- Index of Standard Letters / Memoranda *

* Lists were extracted from computer system. Individual documents will be cited in Element 3 (where relevant)

Comment:

The CIPM Strategic Plan (Phase 3) “IM plans established to ensure continuous improvement and ongoing high levels of performance and efficiency in service delivery”. See also ‘Mission Statement’ at 1.1.1. The bigger HR Strategy is “to deliver HR services in the most efficient, effective and sustainable way”.

APC has a number of policies and procedures to ensure consistency in service delivery. One of the KPIs in the WIPM Strategic Plan is “implementation of Divisional Advices and Claims Management Training Modules”.

An example of a strategy for achieving equitable outcomes is the arrangement that all reconsiderations are managed out of NSW and Victoria, and sit within the litigation area (rather than claims management areas).

2.1.4

The licensee’s claims management system plans provide for appropriate training requirements.

Finding: Conformance

Evidence:

- Injury Management ‘Strategy on a Page’ 2009/10-2011/12 v4 21/9/09
- MND Divisional Advice 2007/02 – ‘Performance Management – Work Performance, Assessment Feedback and Development for Claims Managers
- Training Summary (all staff) June 09 - November 09
- Work Performance Assessment & Training Plans (NSW) 2009
- Work Performance Feedback & Development Plans (NSW) 2009
- Email 26/9/08 ‘Introduction of a mentoring process within WIPM
- Initiative Brief (undated) but reference to HR Business Plan 2008/2009

Comment:

The auditors were presented with sufficient evidence of APC planning for appropriate training requirements.

Two initiatives to be commended:

- WCS Monthly Performance Plan discussions where manager discusses with staff their monthly goals objectives and priorities, and where any training needs are identified.

- Mentoring program in WIPM to assist new managers and those individuals with potential to progress.

2.2 Administrative Arrangements

2.2.1 ⌚

The licensee identifies the administrative and financial limitations for each level of claims manager.

Finding: Conformance

Evidence:

- Corporate Human Resources Group SRC Act Delegation Manual (May 2009)
- MND Divisional Advice 2008/02 'Workers Compensation Account Approval' 25/9/08 v1

Comment:

All claims managers positions hold full delegation for all claims functions.

Financial delegation set at \$5000 for a claims manager. All payments in excess of this amount must be approved by the State Manager. All payments over \$40,000 must be approved by the National Manager WIPM.

An area of risk for APC may be in allowing all claims managers to hold delegation to waive and write-off overpayments. APC may wish to review this, especially in the absence of any procedures dealing with overpayment recovery (see also 3.3.2).

2.2.2 ⌚

The licensee has documented procedures for paying compensation to injured employees, dependants of deceased employees, providers of medical treatment and other recipients.

Finding: Conformance

Evidence:

- Numerical Listing of Staff Instructions (SI series) *
- List of Current Claims Management Advices *
- List of Claims Manager's Toolkits *
- List of MND Divisional Advices *
- Index of Standard Letters / Memoranda *

* Lists were extracted from computer system. Individual documents will be cited in

Element 3 (where relevant)

Comment:

Claims managers also have access to the Comcare website.

ELEMENT 3: IMPLEMENTATION

3.1 Resources

3.1.1 ⌚

The licensee allocates adequate resources to support its claims management programs.

Finding: Conformance

Evidence:

- Resourcing Report (annual) – National WIPM Manager
- Rehabilitation Compensation & Litigation Workload Review
- Interviews with managers in Vic/Tas, NSW and National Manager
- SRC Commission indicator reports

Comment:

Interviews with managers established that the average claim to case manager ratio is approximately 150 claims per claims manager and 30 litigation files per review officer. There is an overtime budget if necessary, and staff in the processing area that have capacity to backfill during periods (if any) of excessive unplanned absences.

Claims managers indicated that they felt their workload was manageable.

APC meets or exceeds SRC Commission indicators on timeliness of decision-making which supports this view.

3.1.2 ⌚

The licensee implements relevant training programs to support its claims management system

Finding: Conformance

Evidence:

- Compensation Training & Development Plan 2009 (Vic/Tas)
- Course Attendance Sheet 27/10/09 (NSW) [shows all courses that staff have attended]
- MND Divisional Advice 2007/02 – ‘Performance Management – Work Performance, Assessment Feedback and Development for Claims Managers
- Training Summary (all staff) June 09 - November 09
- Work Performance Assessment & Training Plans (NSW) 2009

- Work Performance Feedback & Development Plans (NSW) 2009
- Email 26/9/08 'Introduction of a mentoring process within WIPM
- Initiative Brief (undated) but reference to HR Business Plan 2008/2009

Comment:

See comments at 2.1.4. All claims managers have attended relevant training.

To be commended – WIPM delivered a training package to all line managers in MND called 'Guidelines for Managers & Supervisors'. These stakeholders are often overlooked in training programs about compensation and rehabilitation.

3.2 Communication and Awareness

3.2.1

The licensee defines and communicates claims management responsibilities to relevant stakeholders.

Finding: Conformance

Evidence:

- Workers' Compensation Claim Package (Claims Pack) 8834610 – Nov 07 and contains:
 - ③ OHS Incident Report / Investigation and Action Report
 - ③ How to Claim Compensation under the SRC Act (several languages)
 - ③ Compensation Benefits
 - ③ Claim for Compensation and Rehabilitation
 - ③ Claim for Compensation Witness Statement
 - ③ Supervisor Guidelines when an Employee lodges a Compensation Claim
 - ③ Supervisor's Supplementary Statement
 - ③ Checklist for Supervisors / Managers
 - ③ Occupational Rehabilitation Employee Rights and Responsibilities
 - ③ Request for Rehabilitation Service
 - ③ Application for Leave
- The Workers' Compensation and Rehabilitation Process Explained v3 Oct 2008 (43 pages)
- PostNet website (including page for Line Managers)
- LTI Pending / Current Spreadsheet (Vic/Tas)
- File audit

Comment:

In addition to the above documentation, file audit revealed that all adverse decisions contained a Notice of Rights (NOR). Favourable decisions (for technical

compliance) referred the claimant to the initial NOR received when liability determined.

Regular case reviews are undertaken between compensation, rehabilitation and operations management.

Line managers have been trained (see 3.1.2)

3.2.2

The licensee ensures that employees are aware of their rights and obligations in relation to workers' compensation.

Finding: Conformance

Evidence:

- Workers' Compensation Claim Package (Claims Pack) 8834610 – Nov 07 and contains:
 - ③ OHS Incident Report / Investigation and Action Report
 - ③ How to Claim Compensation under the SRC Act (several languages)
 - ③ Compensation Benefits
 - ③ Claim for Compensation and Rehabilitation
 - ③ Claim for Compensation Witness Statement
 - ③ Supervisor Guidelines when an Employee lodges a Compensation Claim
 - ③ Supervisor's Supplementary Statement
 - ③ Checklist for Supervisors / Managers
 - ③ Occupational Rehabilitation Employee Rights and Responsibilities
 - ③ Request for Rehabilitation Service
 - ③ Application for Leave
- The Workers' Compensation and Rehabilitation Process Explained v3 Oct 2008 (43 pages)
- PostNet website
- Additional Advice to Claimant v4 6/9/02
- Important Notice to Managers – GRTW Procedures.
- File audit

Comment:

See 3.2.1

3.3 Application of the Legislation

3.3.1

The licensee complies with the provisions of the SRC Act when making decisions on claims.

Finding: Conformance

<p>Evidence:</p> <ul style="list-style-type: none">• Claims Manager's Toolkit:<ul style="list-style-type: none">③ 2007/08 Initial Determinations SRC Act 1988 v1 06/07/07③ 2007/07 Exclusionary Provisions SRC Act v1 06/07/07• Current Claims Management Advice:<ul style="list-style-type: none">③ 2007/16 Reasons for Decision 21/11/2007③ 2006/02 QA Checklists v1 30/6/06• File audit
<p>Comment:</p> <p>Decisions on files were made quickly and correctly (see 3.3.4 for exception). They were generally of a high technical standard, easy to understand and legislatively compliant. 100 files were reviewed, so in excess of 1000 decisions of various types were examined. There was one example where, subjectively, the auditor was of the view that the decision was against the weight of evidence. This was overturned at reconsideration, indicating that the internal review processes built into the SRC Act were working effectively.</p>

3.3.2

The licensee complies with the provisions of the SRC Act when using its powers under that Act.

Finding: Conformance

<p>Evidence:</p> <ul style="list-style-type: none">• Claims Manager's Toolkit:<ul style="list-style-type: none">③ 2007/05 Best Practice Section 57 Process v1 04/05/07• Current Claims Management Advice:<ul style="list-style-type: none">③ 2008/09 Requesting Information and the Use of Section 58 14/4/08③ 2008/18 Claim File Management and the s59 of the SRC Act 7/11/09• Standard Letters Memoranda Index:<ul style="list-style-type: none">③ 10.1 – Section 58③ 11.1 – Section 59③ 13.1 – Third Party• File audit

Comment:

File audit did not identify any examples where powers were incorrectly used. It was noted that medico-legal examinations were used extensively as part of regular claims management processes - and in some cases, regularly on the same claim - but still within the parameters declared by the Minister.

However, there were two examples where the section 57 process was not correctly applied. In one instance, the reconsideration officer referred a claimant for medical examination without citing section 57 and advising claimant of rights and obligations. In the other example, a section 57 decision was 'reconsidered' despite this not being a determination capable of review.

Section 57 powers were not used to send claimants to Facility Nominated Doctors (FNDs). [Where FNDs were involved in claims matters, it was either as the FND had become the claimant's treating doctor; the referral was made under s36 (Rehabilitation Assessment) and copied to the claims file; or a 'Fitness for Duty' (FFD) Assessment had been requested prior to the claim being determined under APC's Injury Management (Early Intervention) Program]

APC did not have a policy or procedure on overpayments. As all claims managers hold delegation to waive and write-off overpayments, there is a potential risk to APC.

Observation:

1. Section 57 procedures not applied correctly in all cases
2. APC does not have a policy or procedure on managing overpayments and/or restricting delegation for waiving and writing-off debts.

3.3.3 ⌚

The licensee complies with the provisions of the SRC Act when determining initial liability.

Finding: Conformance

Evidence:

- Claims Manager's Toolkit:
 - ③ 2007/08 Initial Determinations SRC Act 1988 v1 06/07/07
 - ③ 2007/07 Exclusionary Provisions SRC Act v1 06/07/07
 - ③ 2007/04 Compensation for Loss of, or Damage to, Property –s15 v1 23/4/07
- Current Claims Management Advice:
 - ③ 2007/16 Reasons for Decision 21/11/2007
 - ③ 2006/02 QA Checklists v1 30/6/06

<ul style="list-style-type: none"> ③ 2007/10 Under the Influence of Alcohol or a Drug for the Purposes of the SRC Act 23/4/07 ③ 2007/19 Administration of Radiation Claims 24/12/07 ③ 2006/11 Voluntarily and Unreasonably Submitting to an Abnormal Risk of Injury 9/8/06 ③ 2008/01 Medical evidence to satisfy compliance with Section 54 1/2/08 ③ 2008/04 Disease as Injury Claims 29/2/08 ③ Exclusionary Disease Claims 29/2/08 ③ 2008/08 Acceptance of Medical Certificates and Evidence 14/4/08 ③ 2009/01 Claims for Chronic Fatigue Syndrome 14/1/09 ③ JPA2009-6 Same Sex Relationships 5/6/09 ③ JPA2009-7 Increase to Death Benefits 5/6/09 ③ 2007/0* Death Claims – being reviewed due to Beneficiary Trust Account changes. <ul style="list-style-type: none"> • File audit
<p>Comment:</p> <p>All claims managers have access to the Annotated Act and scope to request legal advice if necessary.</p>

3.3.4 ☺

The licensee complies with the provisions of the SRC Act when determining liability for incapacity.

Finding: Non-Conformance

<p>Evidence:</p> <ul style="list-style-type: none"> • Claims Manager’s Toolkit: <ul style="list-style-type: none"> ③ 2006/01 NWE Calculation & Adjustment v1 21/12/06 ③ 2007/02 Deeming Guidelines – Section 19(4) v1 26/3/07 • Current Claims Management Advice: <ul style="list-style-type: none"> ③ CMA67 NWE Adjustment after Date of Injury 25/7/97 ③ CMA51 Sick and Recreation Leave Accrual 19/5/94 ③ 2003/01 NWE and District Allowance 28/5/03 ③ 2008/06 SRC Act Indexation of NWE for Ex-employees 25/3/08 ③ 2008/14 Redemption Claims Under the SRC Act (s30 & s137) 16/6/08 ③ JPA2008-11 Redemption on Request by Former Employee Life Table 25/11/08 ③ JPA2006-13 Meaning of ‘required and regular’ overtime when calculating NWE s8 14/4/09 ③ JPA2009-3 Indexation of NWE s8(9B) 13/5/09 ③ JPA2009-4 Indexation of NWE s8 (9F) 18/5/09 ③ JPA2009-8 Indexation of Benefits under s13 and insertion of

s13AA prescribing the Wage Price Index for s17 5/6/09

- Monthly QA Program (MND 2006/2)
- File audit
- Interviews with claims managers

Comment:

It should be noted that the vast majority of employees on compensation were receiving their correct entitlements.

Normal Weekly Earnings (NWE) is usually averaged over 12 weeks as many APC workers have regular overtime and allowances added to their base pay. This is appropriate and these payments appeared to be correct. However, APC do not make a determination to this effect as required under the SRC Act, and therefore the worker is not advised how their NWE figure was derived. The worker is told the NWE amount only as part of their initial incapacity determination under s19.

NWE determinations are not made when NWE changes after date of injury as required under the SRC Act, although employees are advised of the change as part of the s19 incapacity determination.

Seasonal overtime adjustments under s8 were not applied consistently. It was applied in Vic/Tas but not done in NSW.

A problem was identified with the calculation of incapacity payments once 45 weeks have been reached. If a worker had some time off (but not a whole week) after 45 weeks – the absence was paid at 75% instead of using the formula “Adjustment % NWE – AE” as required by section 19(3). This has resulted in some employees being underpaid and some being overpaid (depending on the length of the absence).

Whilst this error did not occur when an employee was on a Graduated Return to Work (GRTW) after 45 weeks, and following it – it did occur if the employee had additional time off in the week than was expected. Again, the extra absence was paid at 75% instead of the whole week being recalculated based on the reduced number of hours worked. Discussion with claims manager indicated that the % figure is input into the system manually. Claims manager was unaware of correct method for making the calculations.

This error was complicated further in one case where a ‘deemed’ Able to Earn (AE) figure was being included in the calculations. Firstly, no determination advising the employee that he was being ‘deemed’ able to earn was made. Secondly, the incapacity determinations did not mention the deemed amount, and it did not appear in the calculations, making the determination factually incorrect (for example, indicating that the payment was at 75% NWE for a week, but actually paying only 50%)

Many employees were undertaking a rehabilitation program and received incapacity payments under section 37(5) instead of section 19 during that time. Many claimants switched between the two sections constantly due to delay in receiving

medical certification to support the determination of a Rehabilitation Program under s37(1) [in APC, rehabilitation programs are usually determined for short periods of 1-2 weeks at a time]. This occurred more often in Vic/Tas than NSW, (probably because NSW has rehabilitation providers on site, but unable to establish reason definitively). A minor technical error occurs when the determination letter does not split the period, but instead states that payment is being made under sections 19 and 37(5) concurrently. It is noted that the amount of the payment is not affected by this error.

Observations:

3. Seasonal overtime adjustments to NWE under section 8 are not being applied consistently within APC.
4. Some determination letters cite both section 19 and subsection 37(5) for the same period of incapacity.

Non-conformances:

1. Section 8 determinations are not being made initially, or when NWE changes as required by the SRC Act.
2. Section 19(3) calculations [post 45 weeks] are not being made correctly in all cases.
3. Determinations under subsection 19(4) not made or not made correctly.

3.3.5 

The licensee complies with the provisions of the SRC Act when determining liability for benefits.

Finding: Conformance

Evidence:

- Claims Manager's Toolkit:
 - ③ 2007/06 Attendant Care Services – Section 29 v1 6/7/07
 - ③ 2007/09 Household Services – Section 29 v1 24/7/07
- Current Claims Management Advice:
 - ③ JPA2008/6 Kilometre rate under s16(6) 13/6/08
- MND Divisional Advices
 - ③ 2006/7 Managing Treatment Costs v1 30/6/06
- File audit

Comment:

When liability is accepted, it includes “reasonable medical treatment under section 16” – therefore the files only usually contain adverse determinations, or in some

cases, approval for surgery. Confirmation that the system generates determinations for travel expense reimbursement, and treatment expenses reimbursed to the claimant was obtained. These system letters are 'batch-stored' rather than stored on the paper file. Physiotherapy plans were required from the provider, and were well-managed.

Only one file made weekly benefits payments for prescribed children under s17(5), and this was being managed correctly. No examples of payments under s18 were sighted.

There were few examples of determinations made under section 29. However, there was one file where the section 29 determination was poorly worded and constructed – and where an adverse finding was made without a home assessment having been undertaken. It was not always clear that s29 determinations were being issued.

Both claims managers and rehabilitation case managers hold delegation under section 39 in the delegation schedules. There were few determinations to review in the sample. On some files it appeared that approvals were given, but determinations not issued

Observations:

5. Determinations were not issued under section 29 and/or section 39 in all instances.

3.3.6 ⌚

The licensee complies with the provisions of the SRC Act when determining liability for permanent impairment.

Finding: Conformance

Evidence:

- Current Claims Management Advice:
 - ③ CMA68 Maintenance and Access to Legal Advice, Surveillance and Perm Impairment Claim Documentation 25/6/97
 - ③ 2005/10 New Guide to the Assessment of the Degree of Permanent Impairment (Second Edition) 2/12/05
 - ③ 2006/04 When a Claim for PI is Deemed to have been Received 24/2/06
 - ③ 2006/15 Hearing Loss Claims Under the SRC Act 10/11/06
 - ③ JPA2007-05 Implications of the High Court decision in Canute v Comcare on consequential injuries arising under the SRC Act 14/1/09
- Undetermined PI Claims report
- Process Mapping – WA Permanent Impairment Procedures (uncontrolled)

<ul style="list-style-type: none"> • File audit
<p>Comment:</p> <p>All permanent impairment (PI) claims are managed centrally in NSW or Vic/Tas which function as ‘centres of excellence’. All staff have received specific PI training. The PI process is managed well, timely, and staff correctly obtain s45 election advice. No major issues identified at file audit.</p>

3.3.7

The licensee complies with Part X of the SRC Act, the transitional provisions, particularly in relation to determining permanent impairment and incapacity benefits.

Finding: Conformance

<p>Evidence:</p> <ul style="list-style-type: none"> ③ Guidelines for Transitional Permanent Impairment Claims Under the SRC Act – August 1998 ③ File Audit
<p>Comment:</p> <p>Generally, the transitional provisions were managed well.</p>

3.4 Informing and Consulting

3.4.1 ☹

The licensee informs employees of the status of their claims.

Finding: Conformance

<p>Evidence:</p> <ul style="list-style-type: none"> ③ File audit
<p>Comment:</p> <p>APC generally informs employees of the status of their claims. File audit did not identify any significant issues.</p>

3.4.2

The licensee ensures consultation between all parties in regards to the claims management process.

Finding: Conformance

Evidence:

- ③ File audit
- ③ Interviews with claims and rehabilitation staff

Comment:

This is something that APC does particularly well. The claims managers and most rehabilitation case managers are co-located in both Vic/Tas and NSW. Some case managers are located at large APC sites. Regular case conferences occur between these parties. Files demonstrated that relevant information is shared (medical reviews, rehabilitation program documentation etc).

Weekly meetings occur between claims and rehabilitation supervisors to discuss any claims where 5 days lost time is indicated.

3.5 Claims Reviews

3.5.1

The licensee provides employees with a reasonable opportunity to provide information or comment when claims for ongoing liability are being assessed or reviewed.

Finding: Conformance

Evidence:

- MND Divisional Advices
 - ③ 2006/06 Medical Review Protocols v1 30/6/06
- Checklist for Reviewing Ongoing Liability – Staff Instruction No. 28 (Vic/Tas) (uncontrolled)
- File audit
- Interview with claims staff

Comment:

File audit confirmed that natural justice principles are applied. Copies of medical reports obtained under section 57 are either sent to the employee, or the employee's treating doctor (depending on medical condition).

3.5.2

Claims reviews are timely, made accurately, and guided by equity, good conscience, and the substantial merits of each case without regard to technicalities.

Finding: Conformance

Evidence:

- MND Divisional Advices
 - ③ 2006/06 Medical Review Protocols v1 30/6/06
 - ③ 2006/04 Process Review v1 30/6/06
 - ③ 2007/01 State Peer Review of Claims v1 31/5/07
- Current Claims Management Advice:
 - ③ 2008/12 Review of Long Term Compensation Claims 16/6/08
 - ③ 2008/17 Determinations to Cease Benefits 16/6/08
- Checklist for Reviewing Ongoing Liability – Staff Instruction No. 28 (Vic/Tas) (uncontrolled)
- Claim Management Review Form v1 Jan 09 (NSW)
- File audit
- Interview with claims staff

Comment:

Generally file reviews were undertaken appropriately. Only one file appeared to be reviewed ‘excessively’.

A commendable initiative in NSW is that the team leader reviews one claim per delegate per week as part of QA on claims management.

3.6 Reconsiderations and AAT

3.6.1

The licensee complies with the provisions of the SRC Act when managing reconsiderations.

Finding: Conformance

Evidence:

- ③ Reconsideration Officers’ Guide (June 1997)
- Corporate Human Resources Group SRC Act Delegation Manual (May 2009)
- File audit
- Interview with reconsideration officer

Comment:

Reconsiderations are managed in the litigation area rather than the claims area,

except for reconsiderations of own motion.

Reconsiderations were managed in a timely manner. File audit did not reveal any significant issues.

3.6.2

The licensee informs Comcare as soon as practicable of any proceedings in relation to a matter arising in respect of a claim under the SRC Act.

Finding: Conformance

Evidence:

- Current Claims Management Advice:
 - ③ 2004/01 Notification of Sensitive Claims and Test Cases before the AAT 6/4/04
- Litigation Notification Advice
- Federal Court Application Approval Process LMA (2009)
- Several notifications received at Comcare (sighted pre-audit)

Comment:

APC notifies Comcare as required.

3.7 Commission Guidelines

3.7.1

The licensee manages AAT matters in accordance with the Commission's settlement guidelines issued under section 73A of the SRC Act.

Finding: Conformance

Evidence:

- ③ 2006/08 (revised 2009) Settlement – Deeds of Release – Indemnities revised 7/7/09 (intranet link to s73A Guidelines sighted)
- ③ Legal Bulletin
- ③ CIPM Briefing Paper 27/11/08

Comment:

One AAT matter did not follow settlement guidelines. It was noted that APC has recently met all its legal panel members and reminded them about the settlement guidelines and the findings from the litigation audits (CIPM Briefing Paper).

This occurred after the date of the adverse file finding, indicating that APC are

aware of their obligations and have taken steps to ensure that the settlement guidelines are complied with. The problem identified is therefore not considered to be systemic, resulting in an 'observation' rather than a 'non-conformance' for this criterion.

Observations:

6. AAT 'terms of settlement' include matters outside the scope of the SRC Act (requirement of resignation).

3.8 Surveillance

3.8.1

The licensee has a policy on the use of covert surveillance.

Finding: Conformance

Evidence:

- ③ 2008/11 Workers Compensation Surveillance Policy 16/6/08
 - Corporate Human Resources Group SRC Act Delegation Manual (May 2009)
 - 2006/02 QA Checklists v1 30/6/06

Comment:

APC has a policy as required.

3.8.2

Any application to conduct covert surveillance complies with the provision of the licensee's policy on covert surveillance.

Finding: Conformance

Evidence:

- ③ 2008/11 Workers Compensation Surveillance Policy 16/6/08
 - Corporate Human Resources Group SRC Act Delegation Manual (May 2009)
 - 2006/02 QA Checklists v1 30/6/06

Comment:

All applications for surveillance must be approved by the National Manager of WIPM. No applications have been made in Vic/Tas in the past 12 months. One application has been made in NSW. Although this file did form part of the file sample, it was reviewed as evidence for this criterion only. The application

followed the correct process.

3.8.3 ⌚

Approval for covert surveillance was undertaken only on the authority of person(s) defined in the licensee's policy on the use of covert surveillance.

Finding: Conformance

Evidence:

- ③ 2008/11 Workers Compensation Surveillance Policy 16/6/08
 - Corporate Human Resources Group SRC Act Delegation Manual (May 2009)
 - 2006/02 QA Checklists v1 30/6/06

Comment:

See comment at 3.8.2.

3.8.4 ⌚

The licensee ensures that any operative undertaking covert surveillance on behalf of the licensee has been issued with and has been agreed to written instructions on the policy of the licensee with regard to covert surveillance and the manner in which it is to be conducted.

Finding: Conformance

Evidence:

- ③ 2008/11 Workers Compensation Surveillance Policy 16/6/08
 - Corporate Human Resources Group SRC Act Delegation Manual (May 2009)
 - 2006/02 QA Checklists v1 30/6/06

Comment:

Sighted evidence of operative signing acknowledgement of instructions and Code of Conduct (dated 17/12/08).

3.9 Confidentiality

3.9.1 ⌚

The licensee maintains the confidentiality of information and applies legislative requirements.

Finding: Conformance

<p>Evidence:</p> <ul style="list-style-type: none">• Current Claims Management Advice:<ul style="list-style-type: none">③ CMA63 Confidentiality of Claims Related Medical Information 24/1/97③ 2008/10 Privacy Act Requirements 16/5/08• Claims Pack• File audit
<p>Comment:</p> <p>Both sites were restricted access, and operated a ‘clean desk’ policy.</p> <p>To be commended: Vic/Tas ensures all staff have six-monthly reviews of the Privacy IPPs.</p> <p>The auditors were satisfied that privacy and confidentiality are taken seriously. However, the file audit did identify some isolated examples where other employees’ information were on file (see file summary at end of this report).</p>
<p>Observations:</p> <p>7. Information about other employees was observed on some files.</p>

3.10 Document Management

3.10.1 ⌚

The licensee maintains the relevant level of reporting, records and/or documentation to support its claims management programs and legislative compliance.

Finding: Conformance

<p>Evidence:</p> <ul style="list-style-type: none">• Current Claims Management Advice:<ul style="list-style-type: none">③ 2008/18 Claim File Management and s59 of the SRC Act 7/11/09• 2006/02 QA Checklists v1 30/6/06• Corporate Management Licence Improvement Program (CLIP)• File audit
<p>Comment:</p> <p>Files were very well-maintained and folioed.</p> <p>There is a position called the ‘Claims Management QA Officer’ that reports to the</p>

National Manager WIPM and provides an annual summary of QA issues. The CLIP program includes monthly QA checks.

The auditors note that there is a practice of identifying some file notes as “do not page number”. As section 59 relates to “any document held by the authority that relates to the claimant’s claim”, these documents may still need to be released, despite the notation.

Observations:

8. The practice of annotating a file note as “do not page number” does not necessarily override the requirement to release the document under section 59.

ELEMENT 4: MEASUREMENT AND EVALUATION

4.1 Monitoring

4.1.1

The licensee monitors planned objectives and performance measures for core claims management activities.

Finding: Conformance

Evidence:

- Injury Management Strategy v1.0 23/10/09
- Injury Management ‘Strategy on a Page’ 2009/10-2011/12 v4 21/9/09
- Injury Management Framework (Draft) 9/09
- Human Resources 2009/10-2011/12 ‘Strategy on a Page’ (undated)
- Workplace Injury Prevention & Management (WIPM) (Mail & Networks Division) 2009/2010 Projects Plan “In Synchronicity” (undated)
- IRIS (computer system)
- HR KPI Scorecard
- Workers Compensation Legal Bulletin
- Corporate Management Licence Improvement Program (CLIP)
- Individual Performance Objectives Worksheets 2009 (4 positions)
- Executive Reports – e.g. X2 Claims System Improvement Program Report Wednesday 7/10/09 10.16.56 (15 pages)

Comment:

This is something APC does particularly well.

There is a suite of reports that are monitored and reviewed on a regular basis, for example, the ‘Workers Compensation Performance Summary [C12] (monthly) Report – identifies trends; ‘Litigation Cost Report’; ‘Compensation and Third Party Recoveries Report’; Vic/Tas Monthly Reports; MND HR Managers Report; NSW Monthly Cost Report etc.

WIPM check performance against the Strategic Plan, which is an excellent practice.

The Individual Performance Objectives Worksheets, with the agreed individual objectives and performance targets, are reported against monthly.

HR KPI Scorecard Summary (30/6/09) reported to HR Executive Committee (all senior executives from across business – the peak executive body for all matters and representing the Board). This is reported quarterly. It covers workers compensation and rehabilitation; OHS; LTIFR; claims received; claims expenditure; rehabilitation intervention and RTW rate.

For continuous improvement, WIPM also conducts its “Peer Review Schedule”.

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4.2 Auditing

4.2.1

The licensee conducts an audit program to measure performance of its claims management system.

Finding: Conformance

Evidence: <ul style="list-style-type: none">• Licensee Improvement Program (LIP) Report 2008-09 (March 2009)• Corporate Management Licence Improvement Program (CLIP)
Comment: <p>APC conducts audits as required.</p>

4.2.2

The claims management system audits are performed by competent personnel.

Finding: Conformance

Evidence: <ul style="list-style-type: none">• Licensee Improvement Program (LIP) Report 2008-09 (March 2009)• Corporate Management Licence Improvement Program (CLIP)
Comment: <p>See LIP report p29-30.</p>

4.2.3

The claims management system audits are conducted in accordance with the requirements of the Commission.

Finding: Conformance

Evidence: <ul style="list-style-type: none">• Licensee Improvement Program (LIP) Report 2008-09 (March 2009)• Corporate Management Licence Improvement Program (CLIP)

Comment:

APC conducts audits using the SRC Commission's endorsed audit tools.

4.2.4

The outcomes of the claims management system audits are appropriately documented, actioned and reviewed at appropriate senior executive level.

Finding: Conformance

Evidence:

- Licensee Improvement Program (LIP) Report 2008-09 (March 2009)
- Corporate Management Licence Improvement Program (CLIP)

Comment:

See LIP Report 2009 Executive Summaries and Action Plan Reports at Appendix C.

The CLIP Report results are reviewed by the QA officer who provides monthly reports and three-monthly summaries - and an annual complete summary to National Manager WIPM.

The findings from the audits are entered into IRIS by the auditor for action. This goes to each State and to CIPM who enter the timeframe (usually 3-4 weeks) to develop an Action Plan – reviewed by CIPM and then, once actioned, are closed-out on IRIS. Any unactioned items get escalated to National Manager WIPM.

Sample selected was for WA (dated 19/11/08). Findings and tasks were entered 19/11/08. An Action Register (dated 13/10/09) shows all tasks actioned.

Audit results are sent to (1) HR Manager MND and (2) WIPM Manager (memo 16/7/09).

LIP Report summary (including audit findings) sent to “all divisional and group managers” which includes the Managing Director of APC.

4.2.5

The licensee communicates the outcomes and results of claims management system audits to its employees.

Finding: Conformance

Evidence:

- PostNet “People at Post” – Comcare – SRCC Licence – Audit Outcomes

- 2008-09 (sighted)
- Notice Board Bulletin (for example ‘Licence Extension Information Bulletin’)

Comment:

The information is posted on the intranet. Those employees without direct access to the intranet would need to request access from their supervisor, if they were interested – or it may be posted on a local Notice Board on site.

4.3 Reporting

4.3.1

The licensee reports to senior executive on its claims management system performance.

Finding: Conformance

Evidence:

- Memo ‘SRC 2008-09 Annual Licence Performance and 2009-10 Regulatory Fee 07/33287 dated 16/7/09 to Senior Management
- HR KPI Scorecard Summary (30/6/09) quarterly review of performance
- Workers Compensation Legal Bulletin
- Corporate Management Licence Improvement Program (CLIP)
- Board Audit & Risk Committee (March 2009 meeting)
- Executive Reports – e.g. X2 Claims System Improvement Program Report Wednesday 7/10/09 10.16.56 (15 pages)
- Vic/Tas MND GRTW Report
- KPMG Report
- NSW GRTW Report

Comment:

The MND GRTW Report is submitted monthly to the Divisional Manager of MND, the Southern Operations Manager MND and the HR Manager MND.

An annual report is submitted to the Board Audit & Risk Committee (March meeting) as part of the Compliance & Risk Management (OHS, Compensation and Rehabilitation) Report, and includes reports on APC’s audit programs.

HR KPI Scorecard reporting goes to the HR Committee of the Board.

WIPM reports monthly to CIPM; with ‘exception reporting’ upwards if necessary.

Vic/Tas and NSW report to manager WIPM regularly, and distribute GRTW Report to all Managers in MND and Commercial.

4.3.2

The licensee provides the Commission with reports as requested.

Finding: Conformance

<p>Evidence:</p> <ul style="list-style-type: none">• Licensee Improvement Program (LIP) Report 2008-09 (March 2009)• Reports against SRC Commission indicators
<p>Comment:</p> <p>APC submits reports in a timely fashion.</p>

ELEMENT 5: CONTINUOUS IMPROVEMENT

5.1 Continuous Improvement

5.1.1

The licensee analyses claims management system performance outcomes against documented objectives to determine areas requiring improvement.

Finding: Conformance

Evidence:

- Licensee Improvement Program (LIP) Report 2008-09 (March 2009)
- Corporate Management Licence Improvement Program (CLIP)
- Injury Management Strategy v1.0 23/10/09
- Injury Management 'Strategy on a Page' 2009/10-2011/12 v4 21/9/09
- Injury Management Framework (Draft) 9/09
- Human Resources 2009/10-2011/12 'Strategy on a Page' (undated)
- Workplace Injury Prevention & Management (WIPM) (Mail & Networks Division) 2009/2010 Projects Plan "In Synchronicity" (undated)
- HR KPI Scorecard
- Individual Performance Objectives Worksheets 2009 (4 positions)
- Executive Reports – e.g. X2 Claims System Improvement Program Report Wednesday 7/10/09 10.16.56 (15 pages)
- NSW Annual Planning Day minutes 11/9/09

Comment:

The three-year strategic plan has three phases for implementing goals, strategies, programs and initiatives. Examples of continuous improvement initiatives include revision of determination letters to ensure consistency and the draft Management System Framework document.

The manager WIPM monitors the Individual Performance Objectives (which include continuous improvement goals).

Analysis of the 149 'standard reports' occurs constantly, identifying trends and opportunities for improvement.

Vic/Tas and NSW have annual planning days.

5.1.2

The licensee promotes continuous improvement strategies within its claims management system.

Finding: Conformance

Evidence:

- Licensee Improvement Program (LIP) Report 2008-09 (March 2009)
- Corporate Management Licence Improvement Program (CLIP)
- Injury Management Strategy v1.0 23/10/09
- Injury Management ‘Strategy on a Page’ 2009/10-2011/12 v4 21/9/09
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- HR KPI Scorecard
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- NSW Annual Planning Day minutes 11/9/09

Comment:

See comments at 5.1.1

A good example is the Strategic Plan – Strategy 5, IM Model: “The IM model is aligned to business objectives and drives business performance” – the ‘Goal’ is that “IM systems across each IM function are reviewed, refined, modified and implemented” by 30 June 2010.

Vic/Tas implements local QA reviews.

