Welcome to Session No. 1134 “Developing and Managing the Risk Management Corrective Action Plan Process”

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Agenda

The agenda is based on the four critical components of the Corrective Action Plan (CAP) Process Life Cycle used in the County of Los Angeles:

- The EVENT which resulted in a loss.
- The INVESTIGATION process.
- The development of the CAP
- The process established to manage the CAP PROCESS.

We will also discuss how this process can HELP me?

What is a Corrective Action Plan (CAP)

A CAP is a collection of corrective actions put together so that the aggregate plan will eliminate the causes of the process nonconformance.

The plan includes the corrective actions, who is responsible for the entire plan and criteria to measure effectiveness of the plan.

An Overview of the Corrective Action Process

The process involves troubleshooting a problem, initiating actions to fix the problem, and checking to verify that the fix worked.

The corrective action process involves:

1. Identifying the problem (potential loss exposure or program opportunity)
2. Researching/analyzing the causes of the problem or potential benefits
3. Developing a plan to correct the problem and to prevent recurrence
4. Executing the plan
5. Verifying that the plan worked (monitoring the process)
6. Communicating “lessons learned” to the organization

An Overview of the Corrective Action Process

The elements of the corrective action process that need to be standardized include:

- Criteria for initiating a CAP
- Root cause analysis
- Obtaining input from relevant sources
- Communication
- Developing a thorough plan
- Timely response
- Implementation
- Documentation
- Record retention
- Verification and follow-up
Benefits of the CAP Process

The immediate benefit of the corrective action process is correcting a known problem, including provisions to prevent recurrence.

If successfully implemented, a corrective action program can alter the internal culture of a department so that individuals are committed to the idea that everyone is accountable for quality, cost avoidance, and liability minimization.

Events that Trigger the Development of a CAP

- Board of Supervisors (Board) mandated CAPs as a result of tort liability claim settlements in excess of $100,000 and Summary Corrective Action Plans (SCAPs) for settlements from $50,000 to $100,000.
- CAP/SCAP developed as a result of a work-related injury or illness
- CAP developed in response to substantial property damage events
- CAPs developed as the result of third party (audit, consultant, or Grand Jury report) or management direction
- CAPs developed in response to customer and constituent complaints, poor quality, and/or process nonconformance

The Investigation Process

Most people stop the investigative process after determining the answer to the initial question of “What happened?”

In fact, the concept of “What happened?” may mean different things to different people. Depending on the investigator's reason to conduct the investigation and the timing of the investigation, there can be quite different reasons for “What happened?”

Steps to Conducting an Investigation

- The major points in an investigation are:
  1. The first priority is to deal with the emergency and make sure all affected people receive medical attention (if needed)
  2. Secure the scene (if needed)
  3. Inspect the accident scene and gather necessary physical evidence
  4. Interview people who may have witnessed the event
  5. Interview injured people (if possible)
  6. Review applicable policies, procedures and guidelines related to the factors leading to the event
  7. Conduct further scientific analysis as needed
  8. Review existing records, as necessary

Additional Investigative Resources

In order to complete a comprehensive investigation and root cause determination additional resources or analytical approaches may be needed to support the investigative process. These include, but are not limited to:

- Accident reconstruction
- Medical evaluations
- Engineering design review
- Legal analysis
- Industrial hygiene assessments
- Task, job or process analysis
- Ergonomic/human factors assessments
- Inspections (property, process or procedures)
- Accident imaging
- Accident deconstruction
- New equipment/process reviews
- Loss Control and Prevention evaluations

Corrective Action Plan Development

- How to Write a CAP
- Elements of Hazard Control
- The Ten Point CAP Development Model
- CAP Development: Completing the CAP Form
- CAP Confidentiality
Once the event or loss has occurred and the investigation has determined the root causes which lead to the occurrence, the next stage in the process is the development of the actual CAP. Now that we know what we need to fix, we have to implement a fix that will, in fact, address the root causes and underlying management system issues and be sustainable.

The CAP is the tool we use to accomplish the tasks of resolving the underlying problems on a permanent basis.

The intent of the CAP is hazard control, mitigation or abatement.

Loss control is a science. It involves the review of the situation and the understanding of the engineering, mechanics, procedures and processes involved.

In many cases the CAP process breaks down at this point in the CAP life cycle.

We spend time and energy trying to understand what happened (normally for litigation defense, etc.) and miss a golden opportunity because the fix we state in our corrective action is either not doable or incorrect.

We do not often realize the corrective action steps are inadequate until the event recurs and we are inevitably back at square one.

We should never develop the hazard control options in a vacuum; they should be reviewed with affected managers and supervisors, affected employees and the corporate loss control and prevention staff or department safety staff.

All of the corrective action steps must be evaluated for effectiveness and sustainability.

The Ten Point CAP Development Model

1. Describe incident/event and overview of the plan
2. Describe personnel required for implementation
3. Describe time required to implement
4. Describe training required
5. Describe equipment needed
The Ten Point CAP Development Model

6. Describe documents that will need to be revised
7. Describe impact on business process or project plans
8. Describe customer, staff, or departmental input or approval needed
9. Describe who is needed to authorize the actions/CAP
10. Describe when the plan will be fully implemented and how the plan implementation effectiveness will be measured

CAP development: Completing the CAP Form

Once the CAP research has been conducted and all relevant facts are understood, the next phase is the actual generation of the CAP.

The actual CAP's size and scope depends on many factors:
- Seriousness of the loss/event
- Complexity of the root causes
- Political ramifications
- Impact the loss had on department (cost, etc.)

CAP development: Completing the CAP Form

The CAP should be written using a standard and uniform departmental format. The use of a standard form with standard terminology has a number of positive impacts:

1. The executive management team can focus on the criteria of the CAP, not the form and terms for each CAP submitted for approval.
2. There is less training needed for affected managers and supervisors on how to complete the CAP.
3. If confidentiality is necessary, County Counsel has familiarity with the document, which will speed up their review process.
4. During the CAP evaluation and follow-up process a standard approach is easier to consistently evaluate.
5. A standard form and terminology assist affected employees to understand the CAP and the impact to them.

CAP confidentiality

Very important point to ALWAYS consider!

Corrective Action Plan Process Management

- CAP* Implementation
- Documentation and Record Retention
- CAP* Follow-up and Verification
- Risk Management Inspector General (RMIG) CAP Process

*Also applies to SCAP

CAP Implementation

The scope and schedule covers issues such as (partial list):
- Processes, procedures and standards impacted
- Training requirements impacted
- Operational and quality impacted
- Equipment and facilities impacted
- Budget and resources needed to implement
Documentation and Record Retention

In order to verify that the initial investigation, root cause analysis, and CAP were implemented, various records (documentation) will need to be evaluated.

The amount of information retained is dependent upon a number of factors such as CAP complexity, pending litigation, nature of CAP, and the scope of CAP.

There are no standardized rules related to documentation and each CAP's documentation requirements must be evaluated on a case-by-case basis.

CAP Follow-up and Verification

Follow-up is often a misunderstood concept.

In many departments, follow-up activities are limited to cursory confirmation that the CAP has been implemented.

Corrective action follow-up requires the same vigilance, uniformity, verification, evidence, and record maintenance as the other functions within the CAP process.

It is another process, complete with requirements, plans, documentation and deliverables.

CAP Follow-up and Verification

There are three unique verifications that must occur during the follow-up process:

1. Verify that the root cause analysis has been conducted and a viable plan has been formulated.
2. Verify the plan has been implemented.
3. Validate the plan's effectiveness.

County of Los Angeles RMIG CAP Process

The RMIG was tasked to carry out the following responsibilities:

1. Respond to Board-ordered reviews of issues related to Risk Management.
2. Prepare analyses of selected individual lawsuits brought against the County and the critical incidents which give rise to those suits in order to identify systemic, reportable risk issues and to appraise the status and appropriateness of action plans designed to modify the factors that contributed to the creation of liability.
3. Monitor selected past and current litigation against the County and departmental policies, procedures and processes to proactively identify systemic risks.
4. Assist departments and agencies in developing timely and appropriate CAPs and review implementation of CAPs and periodically report to the Board on their status. These CAPs are required by the Board for all tort liability settlements in excess of $20,000.

In order to fulfill the responsibilities as outlined in item #4, the RMIG drafted the Risk Management Inspector General Corrective Action Plan Initiative in May 2005, which outlines:

- **RMIG CAP Responsibilities**
- **Critical Elements for CAP Management**

County of Los Angeles RMIG CAP Process

**RMIG CAP responsibilities**

- Provide routine guidance and assistance to departments in all areas of CAP management
- Identify issues from various data streams
- Identify and eliminate duplicate actions
- Evaluate issues for escalation due to County department and/or regulatory significance
- Identify and disseminate lessons learned, best practices and noteworthy accomplishments
- Facilitate the change control process for CAP modification (action due date revision, etc.)
Developing and Managing the Risk Management Corrective Action Plan Process

County of Los Angeles RMIG CAP Process

RMIG CAP responsibilities (con't)

- Facilitate assignment of CAP owners to unassigned issues and resolve ownership disputes
- Elevate significant and generic issues to appropriate levels of department management
- Facilitate department closure verification on selected issues
- Facilitate department effectiveness of closure reviews for selected corrective actions
- Assist in formal root cause analysis
- Obtain feedback from CAP program users to drive continuous improvement
- Audit Countywide CAP process and provide periodic reports to departmental representatives on CAP status

County of Los Angeles RMIG CAP Process

RMIG CAP responsibilities (con't)

- Develop baseline database of approved CAPs since July 1, 1999 and determine current state of County's corrective action process
- Establish a single, centralized and uniform tracking system for all CAPs
- Ensure departmental Risk Management Coordinator or assigned staff is directly involved in developing and implementing department-specific CAPs
- Prioritize issues and actions to help departments concentrate on the most important problems

County of Los Angeles RMIG CAP Process

Critical elements for CAP management

- Ensure departmental CAPs address the root causes of the loss
- Audit departments to ensure departmental CAPs are completed and implemented thoroughly
- Establish a process to ensure lessons learned, best practices utilized and noteworthy accomplishments are communicated to departments
- Training for all departmental staff (i.e., departmental Risk Management Coordinators) to support and provide consistency for the CAP program, to include root cause analysis and CAP development

Critical elements for CAP management (con't)

- Develop baseline database of approved CAPs since July 1, 1999 and determine current state of County's corrective action process
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Corrective Action Users Guide and Workshop

Was initially developed in 2005.

How can the CAP process HELP me?

Advantages of a structured CAP management system

- Provides consistent guidance and direction
- Creates uniformity (within plant, division and/or company)
- Establishes quality control points
- Establishes understandable program elements
- Provides a foundation for continuous improvement

How can the CAP process HELP me?

How to get started:

1. Define the problem (conduct analysis)
2. Define the scope of the program
3. Get support/buy in from management
4. Sell the concept/program to affected staff
5. Develop command media (policies/training material)
6. Rollout program in phases
7. Develop a quality control process
How can the CAP process HELP me?

Items to consider:
1. What are some barriers to implementation?
2. What are some barriers to success?
3. Who do I have to “sell” the concept to?
4. What is a good scope for the program?

Let's have an implementation discussion.

Questions?

Thank you.