

U.S. Department of Labor

Office of Inspector General—Office of Audit

**MINE SAFETY
AND HEALTH
ADMINISTRATION**



MSHA NEEDS TO IMPROVE CONTROLS OVER PERFORMANCE DATA

Date Issued: December 26, 2006
Report Number: 22-07-008-06-001

**U.S. Department of Labor
Office of Inspector General
Office of Audit**

BRIEFLY...

Highlights of Report Number: 22-07-008-06-001, to the Assistant Secretary for Mine Safety and Health.

WHY READ THE REPORT

The Mine Safety and Health Administration (MSHA) supervises and enforces workplace safety and health in surface and underground mining operations in accordance with the Federal Mine Safety and Health Act of 1977 (P.L. 95-164). MSHA conducts investigations, inspections, enforcement and reporting programs for all mining operations. In addition, MSHA conducts respirable dust programs and workplace noise programs for both the Coal and Metal and Nonmetal mining industries.

WHY OIG DID THE AUDIT

We conducted our audit to determine the completeness and reliability of the CY 2003 data used to support the MSHA FY 2003 performance goals 3.1A "Reduce the mine industry fatal injury occurrence rate by 15 percent annually and 3.1B "Reduce the all injury occurrence below the FY 2000 baseline by the end of FY 2005." This was a 4-year goal and, for FY 2003, the target was a 17 percent reduction. We conducted our audit at 17 MSHA locations.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to: <http://www.oig.dol.gov/public/reports/oa/2007/22-07-008-06-001.pdf>

December 2006

MSHA Needs to Improve Controls Over Performance Data

WHAT OIG FOUND

Based on our audit, we could not determine the completeness and reliability of the hours used in the all-injury occurrence measured as part of Performance Goal 3.1A. MSHA could not ensure it had accounted of all hours worked since MSHA did not require mine operators to submit documentation that supports the amount of contractor hours worked. As part of the normal inspection process, MSHA inspectors normally do not verify reported employee hours to payroll records, although they perform some cursory reviews to determine the hours reported by the mine operator appear reasonable based on the size of the mine.

In addition, our audit found MSHA did not have complete and reliable data to support the testing to ensure noise exposure did not exceed established limits that it reported as part of Performance Goal 3.1B. MSHA recorded the data from noise sample results in the Metal Nonmetal Mine Management Information System ((MNMIS) and the Coal Mine Safety and Health Information System (CMIS). We found cases where the MSHA District or Field Offices did not record the sample results and other cases where the MSHA District or Field Offices did not record the correct date of the sample results in these systems.

WHAT OIG RECOMMENDED

We recommended that the Assistant Secretary for Mine Safety and Health require that:

- 1) Mine operators report all hours worked for both employees and contractors to allow verification that all data needed to support the reported injuries and fatalities have been included.
- 2) Mine operators submit or maintain, and mine inspectors review as part of their normal inspection process, documentation that supports the amounts of hours worked by mine employees and contractors.
- 3) Controls be developed and put in place to adhere to procedures that require systematic and regular entry of noise sample data into both the MNMIS and CMIS.

MSHA disagreed with the recommendations one and two. MSHA concurred in part with recommendation three.

Table of Contents

	PAGE
EXECUTIVE SUMMARY	3
ASSISTANT INSPECTOR GENERAL'S REPORT	7
Finding 1 – MSHA could not ensure mine operators and contractors provided all employment hours to support Performance Goal 3.1A	9
Finding 2 – MSHA did not have complete and reliable data to support the testing to ensure noise exposure did not exceed established limits.....	11
APPENDICES.....	17
A. Background	19
B. Objective, Scope, Methodology, and Criteria	23
C. Acronyms and Abbreviations.....	27
D. Agency Response to Draft Report	29

PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Executive Summary

The Office of Inspector General (OIG) conducted an audit to determine the completeness and reliability of Mine Safety and Health Administration (MSHA) calendar year (CY) 2003 performance data. MSHA reports performance data on a fiscal year basis in the Department of Labor's (DOL) Annual Performance and Accountability Report (PAR). MSHA compiled the data, computed, and reported the final results for fiscal year 2003 in the DOL PAR as performance goals 3.1A and 3.1B.

FY 2003 performance goal 3.1A reported on MSHA's efforts to reduce mine injuries and fatalities, and performance goal 3.1B reported on MSHA's efforts to reduce miners' exposure to health hazards such as coal and silica dust and noise exposure. OIG relied on CY 2003 data to prepare the CY 2003 Program Cost and Results Statement for MSHA. The accuracy of the reported results for the performance goals relied on the controls specifically designed and placed in operation by MSHA. Consequently, the better the controls, the more the data can be relied on as being valid.

Results

Based on our audit of the results reported for Performance Goal 3.1A, we were able to verify that injuries and fatalities included in the all-injury occurrence rate measured as part of Performance Goal 3.1A were adequately supported. However, MSHA could not ensure it had accounted for all hours worked since mine operators were not required to submit documentation that supports the amount of contractor hours worked. In addition, MSHA did not have adequate monitoring procedures in place to verify to source documents the mine employee hours worked data submitted by mine operators. As a result, we could not determine the completeness or reliability of the hours used in the all-injury occurrence rate measured as part of Performance Goal 3.1A.

We were able to verify to source documents the data used to report the program results for coal and silica dust standards reported as part of Performance Goal number 3.1B. Based on the results of our testing, nothing came to our attention that caused us to believe that the program results for coal and silica dust standards reported as part of Performance Goal number 3.1B were not complete and reliable. However, MSHA did not have complete and reliable data to support the testing to ensure noise exposure did not exceed established limits, as reported as part of Performance Goal 3.1B.

Recommendations

To improve the completeness and reliability of the Mine Safety and Health Administration's performance data, we recommend the Assistant Secretary for Mine Safety and Health require that:

- 1) Mine operators report all hours worked for both employees and contractors to allow verification that all data needed to support the reported injuries and fatalities have been included.
- 2) Mine operators submit or maintain, and mine inspectors review as part of their normal inspection process, documentation that supports the amount of hours worked by mine employees and contractors.
- 3) Controls be developed and put in place to adhere to procedures that require systematic and regular entry of noise sample data into both the Metal Nonmetal Management Information System (MNMIS) and into the Coal Mining Safety and Health Information System (CMIS).

Agency Response

In response to our draft report, the Acting Assistant Secretary for Mine Safety and Health stated that the draft contained substantive and methodological errors, and also contained findings and recommendations that did not consider relevant Office of Management and Budget guidance concerning performance data, nor the net costs versus benefits of implementing our recommendations to their inspection program and the miners they serve. MSHA did not concur with recommendations one and two. MSHA agreed that it does not capture all work hours performed at all contractor operations but does not believe this negates the validity of its performance data. MSHA stated it has a long standing policy of excluding employment hours worked by contractors who perform "low hazard" mining activities. MSHA plans to include a statement in the PAR that low hazard mining activities are exempt from reporting employment hours and injury information. MSHA also stated mine operators submit and maintain and inspectors review documentation that supports the amount of hours worked by mine employees. MSHA believes its performance data is complete and reliable because OMB Circular A-11 states "Performance data need not be perfect to be reliable, particularly if the cost and effort to secure the best performance data possible will exceed the value of any data so obtained."

MSHA concurred in part with recommendation 3 and is in the process of revising the Metal and Nonmetal General Inspection Procedures Handbook to ensure all data recorded in the "MSHA database" is accurate and can be retrieved. MSHA supervisors and managers will hold inspectors responsible for this verification. However, MSHA stated that the OIG report does not note what, if any, additional controls may be needed.

The agency response is included in its entirety at Appendix D.

OIG Conclusion

We considered OMB guidance and the costs versus the benefits of implementing the recommendations. We do not agree with MSHA's response to our recommendations one and two. MSHA's plan to inform stakeholders, in the PAR, that it excludes employment hours for low hazard mining activities would be effective if the approximate numbers of hours were known and were immaterial to the amount of hours reported. Conversely, if the hours associated with those low hazard mining activities were material to the total hours, then the reported data would be incomplete and the measure inaccurate and therefore unreliable. OMB Circular A-11, which implements the Government Performance Results Act (GPRA), requires an assessment of the completeness and reliability of performance data. GPRA also requires that performance plans describe the means used to verify and validate measured values. We believe this implies some type of monitoring control should be in place to ensure completeness and reliability of performance data. We also believe that it is up to MSHA to analyze and determine the cost effectiveness of these two recommendations. We consider recommendations one and two unresolved pending the development of a corrective action plan to implement monitoring controls to ensure hours worked reported by mine operator employees and contractors are complete and reliable.

We agree with MSHA's planned corrective actions for recommendation 3 to provide the additional controls needed to ensure noise sample data is entered regularly into the MNMIS and CMIS database systems. MSHA also planned to include the additional controls as revisions to the Metal and Nonmetal General Inspection Procedures Handbook. MSHA should also make the same revisions to the Coal Mine Inspection Procedures handbook so the inspection procedures are consistent with the general inspection procedures for Metal and Nonmetal Mines. The recommendation remains unresolved until MSHA agrees to revise the Coal Mine Inspection Procedures handbook.

PAGE HAS BEEN INTENTIONALLY LEFT BLANK



Assistant Inspector General's Report

Mr. Richard E. Stickler
Assistant Secretary for
Mine Safety and Health
U.S. Department of Labor
1100 Wilson Boulevard
Arlington, VA 22209-3939

The Office of Inspector General (OIG) conducted an audit to determine the completeness and reliability of Mine Safety and Health Administration (MSHA) calendar year (CY) 2003 performance data. MSHA reports performance data on a fiscal year basis in the Department of Labor's (DOL) Annual Performance and Accountability Report (PAR). MSHA compiled the data, computed, and reported the final results for fiscal year 2003 in the DOL PAR as performance goals 3.1A and 3.1B.¹

Performance Goal 3.1A reported on MSHA's efforts to reduce mine injuries and fatalities and performance for that goal was measured and reported against two performance indicators:

- Reduce the mine industry fatal injury occurrence rate by 15 percent annually, and
- Reduce the all injury occurrence rate 50 percent below the FY 2000 baseline by the end of FY 2005. This was a 4-year goal and for FY 2003, the target was a 17 percent reduction.

Performance Goal 3.1B reported on MSHA's efforts to reduce miners' exposure to health hazards such as coal and silica dust and noise exposure, and performance for that goal was measured and reported against three performance indicators:

- Reduce the percentage of results of respirable coal dust samples exceeding the applicable standards by 5 percent for designated occupations in coal mines;

¹Prior to FY 2005, performance goals for the Office of Safety and Health Administration (OSHA) and MSHA were both differently defined and separately reported. Starting in FY 2005, both OSHA and MSHA separately reported performance achievements using the same performance goals, 3.1A and 3.1B.

MSHA NEEDS TO IMPROVE CONTROLS OVER PERFORMANCE DATA

- Reduce the percentage of silica dust samples in metal and nonmetal mines exceeding the applicable standard by 5 percent for designated high-risk occupations; and
- Reduce the percentage of noise exposure above the citation level in all mines by 5 percent.

Performance Goals 3.1A and 3.1B Program performance data to support performance goals 3.1A and 3.1B were collected by MSHA’s Directorate of Program Evaluation and Information Resources, Office of Injury and Employment Information (OIEI). MSHA compiled the data, computed, and reported the final results in the DOL Annual Performance and Accountability Report.

Performance Goal 3.1A MSHA used data obtained from the MSHA Form 7000-1 “Mine Accident, Injury and Illness Report” submitted by mine operators after every accident or illness diagnosis, and MSHA Form 7000-2 “Quarterly Mine Employment and Production Report” to report on performance goal 3.1A. MSHA’s OIEI maintains an electronic database that accounts for all MSHA 7000-1 and 7000-2 forms.²

We audited information collected on MSHA Forms 7000-1 and 7000-2, which were used to report the results for performance goal 3.1A. We audited a total of 202 MSHA Forms 7000-1. Of the 10 codes listed on MSHA Form 7000-1, MSHA used accidents coded 1 through 6 to determine if it had achieved the performance goal. The six codes used were: (1) accident where a fatality occurred; (2) accident where a permanent total and permanent partial disability occurred; (3) accident that results in days away from work; (4) accident that results in days away from work and restricted activity upon return to work; (5) accident that results in restricted activity upon return to work, and (6) accidents that result in no days away from work and no restricted activities.

We were able to verify that injury, illness and fatality data included in the all-injury occurrence rate measured as part of Performance Goal 3.1A were adequately supported by the MSHA Forms 7000-1 that were submitted by mine operators. In addition, MSHA had adequate monitoring procedures over the information contained on the Forms 7000-1. However, we concluded MSHA could not ensure it had accounted for all hours worked since 1) MSHA did not have adequate monitoring procedures in place concerning the employee hours worked data submitted by mine operators on MSHA Form 7000-2 and 2) mine operators were not required to report contractor hours on MSHA Form 7000-2 nor to maintain or submit documentation that supports the amount of contractor hours worked. Proper reporting of employee and contractor hours was critical because the all-injury occurrence rate in Performance Goal 3.1A measured injuries and fatalities per 200,000 hours. As a result, MSHA could not substantiate it

²During our audit, both Coal and Metal used a separate management information system (MIS) for data entry and reporting of MSHA Form 7000-1 and 7000-2 data. By the end of our audit, MSHA combined the data entry and reporting for its enforcement programs into one common information platform – the MSHA Standardized Information System (MSIS).

had complete and accurate hours to calculate the all injury occurrence rate reported as part of Performance Goal 3.1A.

Performance Goal 3.1B MSHA used dust and noise samples collected by MSHA inspectors as part of their routine inspections to report on performance goal 3.1B. The Federal Coal Mine Health and Safety Act of 1969 (P.L. 91-173) requires mine operators to conduct on-shift examinations to ensure coal dust concentrations do not exceed applicable standards. The Federal Mine Safety and Health Act (P.L. 95-164) added requirements for metal and nonmetal mine operators to comply with applicable standards related to silica dust concentrations. P.L. 95-164 also added that operators must ensure that noise exposure does not exceed established limits.

We audited the information the District and Field Offices maintained for both dust and noise samples to determine if MSHA had complete and reliable data to support Performance Goal 3.1B.

We were able to verify data used to report program results for coal and silica dust standards reported as part of Performance Goal number 3.1B. Based on the results of our testing, nothing came to our attention that caused us to believe that the program results for coal and silica dust standards reported as part of Performance Goal number 3.1B was not complete and reliable.

However, we concluded MSHA did not have complete and reliable data to support testing to ensure noise exposure did not exceed established limits. In a number of cases, MSHA District or Field Offices did not record samples in the Metal Nonmetal Mine Management Information System (MNMIS) or the Coal Mine Safety and Health Information System. In other cases, sample results were recorded under dates that did not match the dates when MSHA inspectors conducted the samples. Since the MSHA District and Field Offices did not correctly record each noise sample, MSHA could not validate that it provided the most accurate information used for the noise standards included in the performance goal.

Our audit was conducted in accordance with Government Auditing Standards for performance audits. Appendix B provides additional information on the audit objective, scope, criteria, and methodology.

Objective – Is CY 2003 GPRA performance data for MSHA complete and reliable?

Finding 1 – MSHA could not ensure mine operators and contractors provided all employment hours to support Performance Goal 3.1A

MSHA did not have adequate monitoring procedures in place to verify the accuracy of the employee hour data used to calculate the injury, illness, and fatality rates per 200,000 hours were accurate. As part of their normal inspection process, MSHA inspectors do not normally verify employee hours reported to MSHA with supporting

documentation, such as summary payroll records. In addition, MSHA could not ensure it had accounted for all hours worked since mine operators were not required to report contractor hours on MSHA Form 7000-2 nor to maintain or submit documentation that supported the amount of contractor hours worked. As a result, MSHA could not substantiate the completeness and accuracy of employee and contractor hours used to calculate the all injury occurrence rate reported as part of Performance Goal 3.1A. Mine operators and contractors must submit MSHA Form 7000-2 on a quarterly basis to report employment and production data, in accordance with Title, 30 Code of Federal Regulations (CFR) Part 50. Contractors separately reported and submitted MSHA Form 7000-2 for their employees in total, not by individual site. However, since mine operators do not maintain documentation of hours worked by contractor, MSHA could not verify contractor hours worked during mine inspections.

The MSHA Handbooks for Coal Mine (Handbook Number PH06-V-1) and Metal and Nonmetal Mine (Handbook Number PH89-IV-2) Inspection Procedures did not require mine inspectors to review documentation that supported each MSHA Form 7000-2 as part of the normal inspection process. The MSHA Handbook for Coal Mine Inspection Procedures only required mine inspectors to review MSHA Form 7000-2 “to determine if they were maintained at the mine office nearest the mine and were submitted in a timely manner.” The MSHA Handbook for Metal and Nonmetal Mine Inspection Procedures did not mention any review of the MSHA Form 7000-2 as part of the normal inspection process. MSHA inspectors normally do not verify reported employee hours to payroll information maintained by the mine operator, although they may perform some cursory reviews to determine if total employee hours on the MSHA Form 7000-2 appear reasonable for the size of the mine. MSHA performs a more in-depth examination of employee hours when they perform Part 50 reviews under the requirements of 30 CFR Part 50. However, Part 50 reviews only occurred when 1) a mine has a chargeable fatality 2) a mine has been nominated for a Sentinel of Safety Award or 3) at the discretion of the MSHA District Office Manager. In at least one MSHA District Office, no mines in the district had a PART 50 review performed in our audit period.

OMB Circular A-123 provides guidance on using the range of tools at the disposal of agency managers to achieve desired program results and meet the requirements of the Federal Managers’ Financial Integrity Act (FMFIA) of 1982. The FMFIA encompasses accounting and administrative controls. Controls covered under OMB Circular A-123 include areas such as program, operational, administrative, accounting and financial management. The Circular states:

Transactions should be properly recorded, properly classified, and accounted for in order to prepare timely accounts and reliable financial information and other reports. The documentation for transactions, management controls, and other significant events must be clear and readily available for examination.

The Government Accountability Office (GAO) has developed standards for internal control in the Federal Government. One of the five standards for internal control,

according to the GAO Standards for Internal Control in the Federal Government, dated November 1999, is “control activities.” An example of a control activity that is common to all agencies is review and monitoring of performance measures and indicators. Specifically per the GAO standard:

Activities need to be established to monitor performance measures and indicators. These controls could call for comparisons and assessments relating different sets of data to one another so that analyses of the relationships can be made and appropriate actions taken. Controls should also be aimed at validating the propriety and integrity of both organizational and individual performance measures and indicators.

Since MSHA inspectors only performed detailed examinations of employee records during PART 50 reviews and mine operators do not maintain contractor hours documentation, MSHA cannot ensure employee hours submitted are accurate and that all contractor hours have been submitted for each mine. As a result, MSHA could not substantiate the completeness and accuracy of employee and contractor hours used to calculate the all injury occurrence rate reported as part of Performance Goal 3.1A.

Finding 2 – MSHA did not have complete and reliable data to support the testing to ensure noise exposure did not exceed established limits.

We were unable to verify that the data used by MSHA to ensure noise exposure did not exceed established limits was accurate. MSHA recorded the sample results from its noise exposure testing in the Metal Nonmetal Management Information System (MNMIS) and the Coal Mining Safety and Health Information System (CMIS). In 133 of 389 cases reviewed, sample results were not recorded by the MSHA District or Field Offices, or the dates of inspection MSHA recorded in the systems for the samples did not match the dates the MSHA inspectors actually performed the samples for noise exposure. Since the MSHA District and Field Offices did not correctly record each noise sample, MSHA had no assurance that it used accurate information for the noise standards included in the performance goal.

As stated in finding one, OMB required that Federal Executive departments and agencies establish specific management controls that address the proper recording and maintenance of documentation to support all transactions. The proper recording and maintenance of documentation applies to transactions for financial and performance information. OMB Bulletin 01-02 also requires that auditors of Federal Financial Statements review and assure that Federal Executive departments and agencies properly record, process, and summarize transactions and other data for performance measures “in accordance with criteria stated by management.”

MSHA is in the process of revising the Metal and Nonmetal General Inspection Procedures Handbook. In the section titled *Off-Site Documentation*, MSHA inserted a sentence that states: “*Inspectors are responsible for verifying that the data they have reported has been entered into the MSHA database accurately and can be retrieved.*”

Inspectors will be held responsible for this verification by their supervisors and managers.

Recommendations

To improve the completeness and reliability of the Mine Safety and Health Administration's performance data, we recommend the Assistant Secretary for Mine Safety and Health require that:

- 1) Mine operators report all hours worked for both employees and contractors to allow verification that all data needed to support the reported injuries and fatalities have been included.
- 2) Mine operators submit or maintain, and mine inspectors review as part of their normal inspection process, documentation that supports the amount of hours worked by mine employees and contractors.
- 3) Controls be developed and put in place to adhere to procedures that require systematic and regular entry of noise sample data into both the Metal Nonmetal Management Information System (MNMIS) and into the Coal Mining Safety and Health Information System (CMIS).

Agency Response

In response to our draft report, the Acting Assistant Secretary for Mine Safety and Health stated that the draft contained substantive and methodological errors, and also contained findings and recommendations that do not consider relevant Office of Management and Budget guidance concerning performance data, nor the net costs versus benefits to their inspection program and the miners they serve. MSHA did not concur with recommendations one and two. MSHA concurred in part with recommendation three.

MSHA did not concur with our finding number 1 that MSHA could not ensure mine operators and contractors provided all employment hours to support Performance Goal 3.1A and MSHA did not concur with our recommendations. MSHA personnel agree that they did not capture all work hours performed at all contractor operations; however, they believed this did not negate the validity of MSHA's performance data. MSHA stated that they have a long standing policy of excluding employment hours worked by contractors who perform "low hazard" mining activities and that their performance data is sufficient. MSHA stated that they could better inform stakeholders by making a statement in the Performance and Accountability Report (PAR) that contractors who perform "low hazard" activities are exempt from reporting employment hours and injury information.

Additionally, MSHA stated that mine operators and contractors currently submit and maintain, and that inspectors review as part of the inspection process, documentation that supports the amount of hours worked by mine employees. MSHA stated that their data is complete and reliable in compliance with OMB Circular A-11 because the

Circular states, “Performance data need not be perfect to be reliable, particularly if the cost and effort to secure the best performance data possible will exceed the value of any data so obtained.” MSHA also stated, based on its understanding, that compliance with OMB Circular A-123 pertains mainly to financial management as opposed to GPRA. Further, MSHA stated that they have a complete listing of contractors based on their reporting requirements, and that controls and monitoring procedures in place to ensure this were not discussed in the report.

In response to our finding number 2 that MSHA did not have complete and reliable data to support the testing to ensure noise exposure did not exceed established limits, MSHA concurred in part and stated that they are in the process of revising the Metal and Nonmetal General Inspection Procedures Handbook. In the section titled *Off-Site Documentation*, they have inserted a sentence that states: “*Inspectors are responsible for verifying that the data they have reported has been entered into the MSHA database accurately and can be retrieved.*” Inspectors will be held responsible for this verification by their supervisors and managers. However, MSHA additionally stated that the OIG report did not note what, if any, additional controls may be needed and the OIG report did not identify with any precision the scope of any problems found.

MSHA also wanted the OIG to make it clear that they do not report calendar year results for GPRA purposes. Performance goals 3.1A and 3.1B were reported by fiscal year in the Department’s Annual Performance and Accountability Reports (PAR). MSHA also stated that Office of Injury and Employment Information (OIEI) should be referred to as OIEI, and that OIEI performs the data entry for 7000-1 and 7000-2 data, and the term “inspection” is erroneously used in the report. The word “sample” should be used in its place. The response is included in its entirety in Appendix D.

OIG Conclusion

MSHA’s response did not address our finding regarding the lack of monitoring controls in place. As stated in the report, MSHA did not have controls in place to verify mine operators and contractors are accurately reporting employee and contractor hours worked, with the exception of Part 50 reviews, which are not common.

MSHA’s plan to include a statement in the PAR informing the stakeholders that the performance data excludes information relating to “low hazard” mining activities, would be effective if the approximate amount of hours related to those activities were known and were immaterial to the amount of hours being reported. Conversely, if the amount of hours associated with those activities were material to the total hours, then the reported data would be incomplete and the measure inaccurate and therefore unreliable. MSHA has not provided OIG with any information to indicate that MSHA has monitoring controls in place to identify the amount of hours worked by independent contractors related to low hazard activities.

MSHA responded that mine operators and contractors currently submit and maintain documentation. However, the results of our audit show that only total hours worked are

submitted, not documentation supporting those hours worked. Also, documentation of contractor hours worked was not maintained by the mine operator, so MSHA cannot review documentation of contractor work hours during inspections. We reviewed the monitoring procedures (audits of non-respondent lists and end-of-year data mailer verifications) provided by MSHA, but none of these procedures address our concerns regarding the accuracy of the reported employee and contractor hours. MSHA stated that they are in compliance with the data completeness and reliability requirements of OMB Circular A-11, and noted that efforts to ensure reliability of data should be cost effective. MSHA has the responsibility of providing the analysis to validate their argument as it pertains to OMB Circular A-11. Further, MSHA attested that the performance data provided for presentation in the FY 2003 and the FY 2004 Annual Performance and Accountability Reports were complete and reliable. However, MSHA has not provided any justification for how they made their determination of reliability.

OMB A-11 is not the sole criteria that apply to completeness and reliability of reported performance data. OMB A-123 applies to the monitoring of all data. As such, it sets forth guidance for agency financial and program managers to implement internal controls to achieve results and to safeguard the integrity of their programs. Additionally, OMB A-123 provides guidance on using the range of tools at the disposal of agency managers to meet the requirements of the Federal Managers' Financial Integrity Act (FMFIA) of 1982. The FMFIA encompasses accounting and administrative controls. Controls covered under OMB Circular A-123 include areas such as program, operational and administrative areas, accounting, and financial management. OMB A-123 also states "The three objectives of internal control are to ensure the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations."

The final report has been modified to more clearly state that Performance goals 3.1A and 3.1B were reported by fiscal year in the Department's Annual Performance and Accountability Report. The report was also modified to reflect the correct acronym for MSHA's Office of Injury and Employment Information as OIEI. Where applicable, we modified the report to substitute the word "sample" for the word "inspection." We also inserted the specific number of cases we reviewed and the sample results we reported regarding noise exposure.

Recommendations one and two are considered unresolved pending receipt of a corrective action plan to implement monitoring controls to ensure hours worked reported by mine operator employees and contractors are complete and reliable.

We agree with MSHA's planned corrective actions for recommendation 3 to provide the additional controls needed to ensure noise sample data is entered regularly into the MNMIS and CMIS database systems. MSHA also planned to include the additional controls as revisions to the Metal and Nonmetal General Inspection Procedures Handbook. MSHA should also make the same revisions to the Coal Mine Inspection Procedures handbook so the inspection procedures are consistent with the general inspection procedures for Metal and Nonmetal Mines. The recommendation remains

unresolved until MSHA agrees to revise the Coal Mine Inspection Procedures handbook.



Elliot P. Lewis
February 24, 2006

PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Appendices

PAGE HAS BEEN INTENTIONALLY LEFT BLANK

BACKGROUND

The Mine Safety and Health Administration (MSHA) supervises and enforces workplace safety and health in surface and underground mining operations in accordance with the Federal Mine Safety and Health Act of 1977 (P.L.95-164). MSHA conducts investigations, enforcement, and reporting programs for all mining operations; respirable dust programs in the coal and Metal and Nonmetal Industries; and a workplace noise program in the in both industries. In Fiscal Year (FY) 2003, MSHA reported that it served 319,241 miners who worked in over 14,000 mines. MSHA enforcement programs have reduced annual mine fatalities from 122 miners in FY 1990 to 56 in FY 2003. In FY 2005, MSHA served approximately 329,000 miners. In FY 2005, mine fatalities totaled 40 workers. The rate of injury occurrence has also declined significantly since FY 1990.

Title 30, Code of Federal Regulations, Part 50 (Part 50) implements the provisions of the Federal Mine Safety and Health Act of 1977. Part 50 requires mine operators to immediately notify MSHA of “accidents; requires mine operators to investigate accidents; and restricts disturbance of accident related areas.” Part 50 also requires mine operators to file reports pertaining to all accidents, occupational injuries, and occupational illnesses as well as employment and coal production data with MSHA. Mine operators are required to prepare and file MSHA Forms 7000-1 “Mine Accident, Injury and Illness Reports” and 7000-2 “Quarterly Mine Employment and Coal Production Report.” Mine operators must also maintain copies of these reports at the relevant mine offices.

The Federal Mine Safety and Health Act of 1977 requires MSHA to inspect underground mines four times and surface mines twice per year. Mine Inspectors use inspections to identify safety violations, that if not corrected by the mine operator, could subject the mine’s employees to harm or injury. As part of their annual inspection process, mine inspectors review and ensure that mine operators have on file all MSHA Form 7000-1s. Mine inspectors are not required to review medical documentation that supports MSHA Form 7000-1. The inspectors review the MSHA 7000-1 forms, at the mine being inspected, to compare the information contained on the forms with that submitted to MSHA. Information obtained from the MSHA 7000-1 forms are compared to information obtained from the mine operators and their employees to determine if events were properly reported. Mine inspectors also review the MSHA 7000-2 forms to determine if they were maintained at the mine office nearest to the mine, and that they were submitted in a timely manner. In most cases, as part of MSHA’s normal inspection process, mine inspectors do not review source documents to verify employment data reported on MSHA Form 7000-2.

Part 50 does include a review that can supplement the normal inspection process required of MSHA. MSHA inspectors can elect to examine the documentation the mine operator maintains to support MSHA Form 7000-2. MSHA only performs Part 50

reviews at the discretion of the district manager, when a mine incurs a chargeable fatality or if a mine has been nominated for a Sentinel of Safety Award. In FY 2003, 8 mines won while 32 mines received runner-up for Sentinel of Safety Awards.

MSHA uses the data recorded on MSHA Forms 7000-1 and 7000-2 to determine the fatality and all injury occurrence rates reported for Performance Goal 3.1A. Performance Goal 3.1A reported on MSHA's efforts to reduce mine fatalities and injuries. From these forms, MSHA determined the fatality and injury occurrence rates per 200,000 production hours worked. During our audit period (FY 2003), MSHA provided data that showed DOL did not achieve Performance Goal 3.1A since the "all injury" incidence rate declined by 7.8 percent and the fatal injury rate only decreased by 9.6 percent. In FY 2004, MSHA again provided data that showed DOL did not achieve the performance goal since the target to reduce the "all injury" incidence rate was not met. However, DOL reported that it achieved the target to reduce the fatality injury incidence rate. Performance goals 3.1A and 3.1 B have since been changed to include indicator achievements for both MSHA and OSHA.

The Federal Coal Mine Health and Safety Act of 1969 (P.L. 91-173) requires mine operators conduct on-shift examination to ensure coal dust concentrations do not exceed applicable standards. The Federal Mine Safety and Health Act (P.L. 95-164) also added requirements metal and nonmetal operators must comply with related to silica dust concentrations. MSHA has responsibility to determine if the mine operators comply with these standards. MSHA samples underground mines every 6 and surface mines every 3 months. While at the mine, MSHA Authorized and Register (AR) Inspectors use an apparatus that includes a pump and filter cassette encased in a tamper proof container. The apparatus, through the use of the pump, draws sampled air through the filter to collect air-borne dust particles. MSHA AR Inspectors collect and weigh the filters and send them in securely taped containers to the Respirable Dust Laboratory in Pittsburgh, PA. MSHA District Offices maintain a copy of the dust data card that the AR inspectors submit with the samples. The Respirable Dust Laboratory test the samples and enter the sample results into the Laboratory Information Management System (LIMS); which is linked to the Coal Mining Safety and Health Information System (CMIS) and the Metal Nonmetals Mining Safety and Health Information System (MNMIS). The systems will generate a report for each sample and each report contains calculations of each sample's individual dust concentration. MSHA cites the operator for noncompliance if the dust concentration exceeds the applicable standard.

P.L. 95-164 also added that all mine operators must comply with noise exposure standards. MSHA inspectors fit selected mine employees with a device called a noise dosimeter that measures the amount of noise the employees have been exposed during the shift. MSHA inspectors start the noise dosimeters, accompany the test subjects to their workstations in the mines, and monitor the sampling process during their shifts. Once the mine employees have completed their shifts, MSHA inspectors remove the devices, unseal them, and enter a code to retrieve the noise environment assessments. Noise standards are fixed at 133 percent of the maximum allowable noise exposure

limit. MSHA inspectors cite mine operators for noise exposure over this limit. MSHA inspectors deliver by hand the test results to their supervisors and the Health Clerks located in the MSHA field Offices. The Health Clerks enter the data from the noise samples into the Mining Information System (MIS) and send copies to the responsible district offices.

In the FY 2003 DOL Performance and Accountability Report, MSHA provided information that showed it achieved Performance Goal 3.1B. Compliance with coal dust, silica dust, and noise standards improved 27, 29, and 44 percent from the established baseline levels. Coal Mine dust was reduced from a FY 2002 baseline of 15 percent of samples exceeding the regulatory standard to 11 percent in FY 2003. Silica Dust was reduced from a FY 2002 baseline of 9 percent exceeding the regulatory standard to 6 percent in FY 2003. Finally, noise was reduced 5.2 percent from FY 2000-2001 baseline. MSHA showed that it continued to achieve Performance Goal 3.1B in the FY 2004 DOL Performance and Accountability Report. Compliance with coal dust, silica dust, and noise standards improved 30, 34 and 55 percent from baselines established from FYs 2000-2002.

PAGE HAS BEEN INTENTIONALLY LEFT BLANK

APPENDIX B

OBJECTIVE, SCOPE, METHODOLOGY, AND CRITERIA

Objective

Our audit objective was to determine the completeness and reliability of CY 2003 data reported by MSHA in the Department of Labor (DOL) Annual Performance and Accountability Report as performance goals 3.1A and 3.1B.

Scope

We conducted our performance audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States and included such tests as we considered necessary to satisfy the audit objectives. A performance audit requires obtaining an understanding of internal controls considered significant to the audit objectives and testing compliance with significant laws, regulations, and other compliance requirements. In order to plan our performance audit, we considered whether internal controls significant to the audit were properly designed and placed in operation.

We selected MSHA data from CY 2003 for our review and the scope of our audit included a determination of the completeness and reliability of CY 2003 data used to support the MSHA FY 2003 performance goals 3.1A and 3.1B.

We audited data in two program areas:

- Coal Mine Safety and Health; and
- Metal and Nonmetal Safety and Health

The Coal Mine Safety and Health Organization consists of 11 districts with a total of 65 field offices. The Metal and Nonmetal Safety and Health Organization consists of 6 district offices and 47 field offices and field duty stations located throughout the United States and Puerto Rico.

Methodology

We conducted our audit at 17 locations. For the Coal Mine Safety and Health Organization, we randomly selected 3 of the 11 district offices for review. District offices visited included District 2 (Hunker, Pennsylvania), District 3 (Morgantown, West Virginia) and District 9 (Denver, Colorado). In Districts 2 and 3, we also randomly selected six field offices for review within the selected district offices. These field offices included:

- Ruff Creek, PA

- Indiana, PA
- Johnstown, PA
- Morgantown, WV³
- Oakland, MD
- Bridgeport, WV

For the Metal Nonmetal Safety Organization, we randomly selected three of the six district offices for review. District Offices visited included Rocky Mountain (Denver, CO), Western (Vacaville, California), and Northeastern (Warrendale, PA). Within those three district offices, we also visited four field offices, which included:

- Denver, CO⁴
- Vacaville, CA⁵
- Warrendale, PA⁶
- Charlottesville, VA

In addition to the district and field offices mentioned above, we visited the Bruceton Safety and Health Technology Center located in Pittsburgh, PA. Bruceton processes and reports the results from dust samples taken as part of the inspection process for coal and metal and nonmetal inspections.

In accordance with the Federal Mine Safety and Health Act of 1977, MSHA is required to inspect underground mines four times and surface mines twice per year. Our sample of Coal Mine Safety and Health inspections was derived from a universe of 4,372 coal inspections and 8,788 noise samples conducted in CY 2003. We judgmentally selected 30 coal mine inspections for collection of coal dust samples at four of the coal six field offices we visited (Ruff Creek PA, Indiana, PA, Johnstown, PA and Morgantown, WV⁷). We also judgmentally selected 202 noise samples collectively performed by each of the six field offices we visited. In addition, our sample of Metal and Nonmetal Safety and Health inspections was taken from a universe of 4,924 inspections conducted in CY 2003. We judgmentally selected 131 silica dust samples and 187 noise samples collectively performed by each of the four field offices we visited.

We obtained sample source documents for the Accidents/Illness/Injury/Fatalities Program, the Coal Mine Safety and Health Organization, and the Metal Nonmetal Mine Safety and Health Organization. The Coal and Metal Nonmetal Mine Safety and Health Organizations share dust exposure, noise exposure, and lost production data. We obtained the following source data documents:

³Coal Mine Health and Safety District 2 and the Morgantown, WV Field Offices are in the same location.

⁴Rocky Mountain Metal Nonmetal Safety District and Denver, CO Field Offices are in the same location.

⁵Western Metal Nonmetal Safety District and Vacaville, CA Field Offices are in the same location.

⁶Northeastern Metal Nonmetal Safety District and Warrendale, PA Field Offices are in the same location.

⁷ Coal Dust Inspection records for Oakland, WV and Bridgeport, WV field offices are maintained in the Morgantown, WV Coal Mine Health and Safety District Office.

- PART 50 Accident, Illness, Injury, and Fatality forms (MSHA, Form 7000-1) available in MSHA District Offices
- Dust Sample data cards used as reporting documents for the Coal Mine and Metal and Nonmetal Mine Dust Exposure programs available at District Offices, and the MSHA Laboratory in Pittsburgh, Pennsylvania
- Noise Sample data cards used as reporting documents for the Coal Mine and Metal and Nonmetal Mine inspection programs available at District Offices
- Original MSHA Form 7000-2 reports of coal mine production and worked hours available at District Offices

We compared the data from the above sources to the electronic database that maintains Form 7000-1 and 7000-2 (injury and production data) and the Coal Mine Information System (CMIS) and the Metal and Nonmetal Information System (MNMIS) for dust and noise standards.

We interviewed MSHA personnel and conducted a walk-through of how program personnel and computer systems authorize, collect, record, and process reported data for performance goals 3.1A and 3.1B. We obtained an understanding of the flow of data from origination to reporting of data by National Office. We also gained an understanding of the internal control procedures in place to ensure completeness and reliability of the reported data. Internal control weaknesses noted from our testing of controls are discussed in Findings 1 and 2 of this report.

Criteria

The main criteria that governed the work performed was as follows:

- OMB A-123, which requires agency managers to incorporate control strategies, plans, guidance and procedures that govern their program's operations
- Title 30, Code of Federal Regulations, Part 50, which defines the accident, injury, illness, employment, and production reporting obligations to MSHA of mine operators working on mine properties
- Government Accountability Office (GAO) Standards for Internal Control in the Federal Government, November 1999

PAGE HAS BEEN INTENTIONALLY LEFT BLANK

ACRONYMS AND ABBREVIATIONS

AR	Authorized and Register
CFR	Code of Federal Regulations
CMIS	Coal Mining Safety and Health Information System
CY	Calendar Year
DOL	Department of Labor
FY	Fiscal Year
GAO	Government Accountability Office
GPRA	Government Performance and Results Act
LIMS	Laboratory Information Management System
MIS	Mining Information System
MMIS	Mine Management Information System
MNMIS	Metal Nonmetal Mine Management Information System
MSHA	Mine Safety and Health Administration
OIEI	Office of Injury and Employment Information
OIG	Office of Inspector General
OMB	Office of Management and Budget
PAR	Performance and Accountability Report
PL	Public Law

PAGE HAS BEEN INTENTIONALLY LEFT BLANK

APPENDIX D

AGENCY RESPONSE TO DRAFT REPORT

U.S. Department of Labor

Mine Safety and Health Administration
1100 Wilson Boulevard
Arlington, Virginia 22209-3939



SEP 25 2008

MEMORANDUM FOR ELLIOT P. LEWIS
Assistant Inspector General
for Audit

FROM:

DAVID G. DYE
Acting Assistant Secretary for
Mine Safety and Health

A handwritten signature in black ink that reads "David G. Dye".

SUBJECT:

Response to Draft Report
No. 22-06-007-06-001
"MSHA Needs To Improve Controls
over Performance Data"

Thank you for the opportunity to comment on your draft report. Overall, we find this draft to be a significant improvement over the numerous discussion draft reports we have reviewed since your audit commenced in 2004.

However, this draft unfortunately also contains substantive factual and methodological errors. It also contains findings and recommendations which do not consider; 1) relevant Office of Management and Budget guidance concerning performance data, and 2) net costs versus benefits to our inspection program and the miners we serve. We address these issues in our response, and explain why we do not fully concur with your findings and recommendations.

If you have any questions concerning this response, please contact Brent Carpenter at 202-693-9782.

Attachment: MSHA's response to Draft Report No. 22-06-007-06-001

You can now file your MSHA forms online at www.MSHA.gov. It's easy, it's fast, and it saves you money!

**MSHA's response to OIG Draft Report No. 22-06-007-06-001
"MSHA NEEDS TO IMPROVE CONTROLS OVER PERFORMANCE DATA"**

OIG Finding 1: *"MSHA could not ensure mine operators and contractors provided all employment hours to support Performance Goal 3.1A."*

OIG Recommendation 1 per Finding 1: *"Mine operators report all hours worked for both employees and contractors to allow verification that all data needed to support the reported injuries and fatalities have been included."*

MSHA does not concur with this recommendation. It is correct that MSHA does not capture all work hours performed at all contractor operations. However, this does not negate the validity of MSHA's performance data pursuant to the Government Performance and Results Act (GPRA).¹ For example, in calendar year 2005 MSHA collected fatality and injury data from approximately 14,391 mine operators and non-exempt contractors — who reported over 59 million work hours. This tremendous volume of data provides MSHA management, the Congress, and the public with excellent feedback on the effectiveness of our enforcement and accident prevention efforts

Background

Since 1981, it has been MSHA's policy to exempt independent contractors from reporting employment and injury information relating to "low hazard" activities performed at mining operations. Consequently, mandatory reporting of employment and injury information now is limited to higher hazard contractor activities which involve: mine development; construction, reconstruction or demolition of mine facilities; construction of dams; excavation or earth moving, equipment installation, service or repair; material handling; drilling or blasting. Also, data collected for employment and hours worked in those activities reflect the contractor's aggregate total for all work locations and not the individual mine sites.

The General Accountability Office (GAO) issued recommendations in 2003 and 2006 that MSHA require independent contractors engaged in "high hazard" activities report hours worked per mine (rather than by the current national aggregate). The intent of GAO's recommendation was to ensure that MSHA would have the capability to compute fatality and injury incidence rates at the mine site level to

¹ We use the acronym "GPRA" to denote the full range of activities which require performance data. This includes those mandated under the Government Performance and Results Act of 1993 (e.g. performance planning, Annual Performance Reports, strategic planning), as well as related OMB requirements, including performance budgeting. OMB Circular A-11 provides federal agencies with guidance in these areas.

further monitor the effectiveness of our enforcement efforts. MSHA does not disagree that GAO's recommendations have merit from an *enforcement perspective*. In that vein, we are considering a study conducted by a private contractor on behalf of MSHA which offered a variety of options to collect additional work hour data from contractors. However, exactly how and to what extent MSHA may require contractors to report additional data in the future is undetermined at this point (we have shared the study with GAO and await additional feedback from them).² In any case, from a *GPRA perspective*, MSHA will continue to report on fatality and injury rates nationally, not by District or mine site.

Thus, while additional data on contractors in the future may serve to *enhance* MSHA's performance and enforcement data, it is not needed to evaluate goal performance for purposes of GPRA. You should note that the organization responsible for oversight of GPRA at the Department, OASAM's Center Performance Planning and Results (CPPR) has evaluated the quality of MSHA's performance data as "good." This rating was assigned by CPPR with full knowledge of GAO's outstanding recommendation to collect additional data on contractors.

One area in which MSHA can improve is to better inform stakeholders that our performance data is not comprehensive. Thus, when discussing GPRA goals and related performance data in publications such as the Department of Labor's *Annual Report on Performance and Accountability* MSHA proposes including the following statement:

"Limitations of Performance Data: Independent contractors are exempt from reporting employment and injury information relating to "low hazard" activities performed at mining operations. Mandatory reporting of employment and injury information is limited to contractor activities which involve: mine development; construction, reconstruction or demolition of mine facilities; construction of dams; excavation or earth moving, equipment installation, service or repair; material handling; drilling or blasting."³

² Substantive changes in contractor reporting requirements would require rule-making.

³ This language mirrors what the Department and MSHA already use in the *Mine Injury and Worktime, Quarterly* which reports on fatality and injury incidence rates.

OIG Recommendation 2 per Finding 1: "Mine operators submit or maintain, and mine inspectors review as part of their normal inspection process, documentation that supports the amount of hours worked by mine employees and contractors.

MSHA does not disagree with the above statement in general terms. Mine operators and contractors already submit and maintain, and inspectors review as part of the inspection process, documentation that supports the amount of hours worked by mine employees (as required by 30 CFR Part 50 and MSHA policy). However, we do not concur with this statement as a prescriptive recommendation when viewed within the context of your report findings and observations. Basically, your report is critical of: 1) the amount of time spent by an inspector during an inspection reviewing employment information for purposes of work hour verification; and 2) PART 50 audits as an adequate management control for purposes of work hour verification (presumably because there are too few PART 50 audits). Implicit in these criticisms is that such work hour verification is required for purposes of GPRA, a criticism which is not supported by the Office of Management and Budget (OMB).

Specifically, MSHA is in compliance with the data completeness and reliability requirements of OMB Circular A-11. Inexplicably, Circular A-11, which is the relevant Circular used by OMB to provide federal agencies with guidance regarding performance data pursuant to GPRA, is **not** featured in your report narrative. Rather, for reasons that are not made clear, your report instead relies on OMB Circular A-123 (which pertains in large part to financial management, not GPRA).

Thus, while your report notes imperfections in MSHA's performance data, it fails to note that OMB accepts such imperfections. To quote from Circular A-11;

"Performance data need not be perfect to be reliable, particularly if the cost and effort to secure the best performance data possible will exceed the value of any data so obtained."

Guidance provided in OMB's Circular A-11 acknowledges the limitations on Federal agencies' capacity to assure the quality of data received from non-Federal sources (e.g. mine operators and contractors). The Circular does not require an independent capacity for verifying or validating performance data received from third-party sources, and instructs agencies to be mindful of the costs and anticipated benefits of improving the quality of program information which meets decision-makers' needs.

Your report is also void of context in terms of noting the compelling reasons why MSHA does not dedicate more significant mine site resources towards work hour verification(s). As we discussed with your auditors, MSHA has finite resources to dedicate to inspections, and these resources must be prioritized. Our legal mandate is to inspect every underground mine at least four times per year, and every surface mine at least two times per year. In CY 2005, this meant roughly 22,000 "regular

inspections.” In addition, MSHA has other inspection mandates such as spot inspections, hazardous condition complaint investigations, and discrimination complaint investigations. MSHA also conducts supplementary full inspections apart from the Mine Act’s requirements. All told, MSHA conducted approximately 114,000 inspections in CY 2005. This inspection activity directly effects the safety and health of miners.

This is not to say that Part 50 audits, or mine site reviews by inspectors of related Part 50 documentation, do not play a role in our inspection program. However, Part 50 data verification must be balanced with our extremely important safety and health enforcement responsibilities. This is indeed why (as noted in your report) the Part 50 audits are discretionary.

OIG Finding 2: *“MSHA did not have complete and reliable data to support the testing to ensure noise exposure did not exceed established limits.”*

OIG Recommendation per Finding 2: *Controls be developed and put in place to adhere to procedures that require systematic and regular entry of noise sample data into both the Metal Nonmetal Management Information System (MNMIS) and into the Coal Mining Safety and Health Information System (CMIS).*

We concur in part with this recommendation to strengthen controls for noise sampling data. As noted in your report, MSHA is in the process of improving controls by revising the Metal and Nonmetal General Inspection Procedures Handbook. In the section titled “Off-Site Documentation,” MSHA has inserted a sentence that states: “Inspectors are responsible for verifying that the data they have reported has been entered into the MSHA database accurately and can be retrieved.” Inspectors will be held responsible for this verification by their supervisors and managers.

However, your report does not note what, if any, additional controls may be needed. It also does not identify with any precision the scope of any problems found. For example, what program area, Coal or Metal Nonmetal, needs additional controls and what deficiencies were found in each program? We would appreciate this type of information in your final report so that suitable controls can be developed and implemented, if necessary. Statements such as in “a number of cases” MSHA did not properly record noise sample results, or in “other cases” noise sample and inspections dates did not “match” simply are not adequate without more information and context.

Additional Commentary

In this section we will discuss additional issues in your draft report. In some cases, these involve basic factual errors, while in others we provide needed context and clarification regarding your findings and observations.

1. **OIG Commentary** (Executive Summary, p.3): *"The Office of Inspector General (OIG) conducted an audit to determine the completeness and reliability of calendar year (CY) 2003 data reported by the Mine Safety and Health Administration (MSHA) in the Department of Labor's (DOL) Annual Performance and Accountability Report (PAR). MSHA compiled the data, computed, and reported the final results in the DOL PAR as performance goals 3.1A and 3.1B."*

MSHA Response: MSHA does not report calendar year results for GPRA purposes. Performance goals 3.1A and 3.1B were reported by fiscal year in the Department's Annual Performance and Accountability Reports. Also note that performance goal 3.1A contained a fatality as well as an all-injury measure.

2. **OIG Commentary** (page 6): *"MSHA did not have adequate monitoring procedures in place concerning the employee hours worked data submitted by mine operators on MSHA Form 7000-2."*

MSHA Response: During the course of the audit, we repeatedly informed OIG auditors of additional controls and monitoring procedures which were not discussed in this draft report. These include audits of non-respondent lists, and end-of-year data mailer verifications.

3. **OIG Commentary** (page 6): *"MSHA did not have a complete universe of mine contractors, and mine operators were not required to report contractor hours..."*

MSHA Response: MSHA does have a complete listing of contractors, pursuant to contractor reporting requirements. The fact is that contractors who perform no work during a quarter are not required to report "0" hours. In addition, it is a requirement that contractors, rather than mine operators, report work hours.

4. **OIG Commentary** (page 6 footnote): *"During our audit, both Coal and Metal used a separate management information system (MIS) for data entry and reporting of MSHA Form 7000-1 and 7000-2 data. By the end of our audit, MSHA combined the data entry and reporting for its enforcement programs into one common information platform – the MSHA Standardized Information System (MSIS)."*

MSHA Response: To clarify, MSHA's Office of Injury and Employment Information (OIEI)⁴ performs the data entry for 7000-1 and 7000-2 data. Coal and Metal use MSIS as consumers of this information.

5. On various pages, the term "inspection" is used erroneously. For example, on page 7 the report states "*Since the MSHA District and Field Offices did not correctly record each noise inspection, MSHA could not validate that it provided the most accurate information used for the noise standards included in the performance goal.*" Please note that the word "sample" should be used in place of "inspection." Sampling is one aspect of an overall safety and health inspection.

⁴ Your report refers to this office as OIE. Please note that "OIEI" is the correct acronym.