

Office of the Auditor General
Performance Audit Report

**Michigan Occupational Safety and
Health Administration**

Department of Labor and Economic Opportunity

March 2025

The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

The auditor general may make investigations pertinent to the conduct of audits.

Article IV, Section 53 of the Michigan Constitution



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Report Summary

Performance Audit

Michigan Occupational Safety and Health Administration (MIOSHA)

Department of Labor and Economic Opportunity

Report Number:
186-0441-24

Released:
March 2025

The mission of MIOSHA is to help protect the safety and health of Michigan workers by setting and enforcing occupational safety and health standards, investigating complaints of workplace health and safety standards, providing extensive safety and health training and education, and working with partners to develop innovative programs to prevent workplace hazards. MIOSHA had 210 staff as of October 2023 and expended \$19.6 million in State and \$12.9 million in federal funds in fiscal year 2023.

Audit Objective			Conclusion
Objective 1: To assess the effectiveness of MIOSHA's enforcement of occupational health and safety standards.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable.		

Audit Objective			Conclusion
Objective 2: To assess the effectiveness of MIOSHA's processes for investigating whistleblower discrimination complaints.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable.		

Audit Objective			Conclusion
Objective 3: To assess the sufficiency of MIOSHA's controls over selected health and safety equipment assigned to workplace inspectors.			Sufficient
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable.		

Audit Objective			Conclusion
Objective 4: To assess the effectiveness of MIOSHA's monitoring of grants.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable.		

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Doug A. Ringler, CPA, CIA
Auditor General

March 19, 2025

Susan R. Corbin, Director
Department of Labor and Economic Opportunity
300 North Washington Square
Lansing, Michigan

Director Corbin:

This is our performance audit report on the Michigan Occupational Safety and Health Administration, Department of Labor and Economic Opportunity.

When our preliminary survey does not identify significant concerns to warrant completing the audit, we issue a preliminary survey summary. For this project, we went forward with the audit because the Legislature identified the safety, health, and general welfare of employees as primary public concerns in Public Act 154 of 1974.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

Doug Ringler
Auditor General

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AUDIT OBJECTIVES, CONCLUSIONS, FINDINGS, AND OBSERVATIONS

ENFORCING OCCUPATIONAL HEALTH AND SAFETY STANDARDS

BACKGROUND

The Michigan Occupational Safety and Health Administration (MIOSHA), Department of Labor and Economic Opportunity (LEO), is one of 29 state or United States territory agencies enforcing occupational health and safety standards in accordance with a State Plan* approved by the federal Occupational Safety and Health Administration* (OSHA). OSHA monitors the State Plan by conducting a Federal Annual Monitoring and Evaluation* (FAME).

MIOSHA's General Industry Safety and Health Division (GISHD) and Construction Safety and Health Division (CSHD) enforce the occupational health and safety standards through programmed* and unprogrammed* workplace health* and safety* inspections. CSHD's Asbestos Program enforces occupational health and safety standards specific to asbestos exposure. GISHD and CSHD may issue citations and assess penalties for violations of occupational health and safety standards.

MIOSHA's Appeals Division provides employers, employees, and MIOSHA with fair, objective, and professional resolution of contested MIOSHA cases. The Michigan Occupational Safety and Health Act provides for a two-step appeal process for employers and/or employees to appeal any citations issued by the enforcement divisions. If the citations cannot be resolved through the informal conference process utilized by the enforcement divisions, the case is transmitted to the Appeals Division where prehearings and/or formal hearings are conducted.

MIOSHA's Radiation Safety Section (RSS) registers and regulates more than 32,000 general x-ray and mammography radiation machines at approximately 9,100 medical, podiatry, dentistry, veterinary, and industrial facilities. RSS health physicists inspect radiation machines and facilities for compliance with applicable State radiation laws and investigate radiation incidents involving excessive radiation doses to workers or patients.

AUDIT OBJECTIVE

To assess the effectiveness* of MIOSHA's enforcement of occupational health and safety standards.

CONCLUSION

Effective.

FACTORS IMPACTING CONCLUSION

- MIOSHA completed all 44 workplace health and safety inspections we reviewed in substantial compliance with applicable State laws and agency policies and procedures.

* See glossary at end of report for definition.

MIOSHA also provided sufficient explanation why it did not complete 10 other workplace health and safety inspections we selected for review.

- Between fiscal years 2015 and 2023, MIOSHA averaged 4,003 inspections per year and identified, on average, 8,583 violations. Annual workplace injury and illness incident rates in Michigan declined overall since calendar year 2015, generally with a minimal gap between Michigan rates and the national average (Exhibit 1).
- MIOSHA used a risk-based approach for inspection activities, prioritizing workplaces with a higher risk of accidents, injuries, illnesses, imminent danger*, and death.
- MIOSHA's health and safety officer assignments sufficiently cover employer establishments for all geographic areas of the State (Exhibits 2 and 3).
- Our review of 50 radiation facility inspections between March 2020 and December 2023 indicated all were substantially in compliance with applicable State laws and the *Michigan Administrative Code*.
- MIOSHA appropriately evaluated and documented conflicts of interest in accordance with policies and procedures for sampled health and safety officers.
- MIOSHA trained 100% of sampled health and safety officers on investigation documentation and retention policies and generally ensured sampled health and safety officers received technical training courses.
- As of December 31, 2024, MIOSHA significantly decreased the RSS general x-ray machine inspection backlog and is on track to eliminate the backlog during calendar year 2025.
- MIOSHA inspected 69% of all new asbestos licensees during the first year of licensure from October 1, 2019 through September 30, 2023, exceeding its goal to inspect 50% of them.

* See glossary at end of report for definition.

INVESTIGATING WHISTLEBLOWER DISCRIMINATION COMPLAINTS

BACKGROUND

GISHD's Employee Discrimination Section (EDS) investigates complaints by workers who have been allegedly discriminated against for exercising their right to report occupational health and safety hazards to MIOSHA. If there is a violation, EDS orders all appropriate relief, including rehiring or reinstating the employee to the former position with back pay. EDS investigations are conducted in accordance with the OSHA Whistleblower Investigations Manual. During fiscal year 2023, EDS investigated 110 employee discrimination cases.

AUDIT OBJECTIVE

To assess the effectiveness of MIOSHA's processes for investigating whistleblower discrimination complaints.

CONCLUSION

Effective.

FACTORS IMPACTING CONCLUSION

- MIOSHA's whistleblower discrimination complaint investigations were compliant with applicable State and federal standards for 100% of sampled complaint investigations reviewed.
- MIOSHA's fiscal year 2021 whistleblower complaint investigation time of 87 days was significantly better than the national average of 325 days reported in the fiscal year 2021 FAME report. Our fiscal year 2023 analytical review identified an average complaint investigation time of 86 days.

SELECTED HEALTH AND SAFETY EQUIPMENT CONTROLS

BACKGROUND

The Technical Services Division's (TSD's) Laboratory and Equipment Services Section (LESS) includes an industrial hygiene laboratory created by the American Industrial Hygiene Association to provide analytical services to MIOSHA compliance programs. The Instrument Calibration and Maintenance Unit is responsible for the maintenance, distribution, tracking, recovery, and disposal of field equipment.

MIOSHA utilizes an equipment inventory control database to maintain and control equipment available to workplace inspectors. MIOSHA maintains equipment for workplace inspector usage, such as digital cameras, exposure monitoring pumps, noise measuring instruments, and air velocity measuring meters. At the time of our review, MIOSHA's equipment inventory control database contained 937 equipment items assigned to 73 workplace inspectors.

AUDIT OBJECTIVE

To assess the sufficiency of MIOSHA's controls over selected health and safety equipment assigned to workplace inspectors.

CONCLUSION

Sufficient.

FACTORS IMPACTING CONCLUSION

- MIOSHA implemented procedures to conduct an inventory of workplace inspector equipment every two years and conducted the most recent inventory in September 2023.
- MIOSHA accurately tracked all equipment assigned to sampled active workplace inspectors during our audit period.
- MIOSHA generally documented the return of assigned equipment by sampled departed workplace inspectors.
- MIOSHA ensured timely calibration of all sampled instruments requiring calibration, including noise level, air velocity, and air quality meters.
- MIOSHA restricted equipment database access to employees who did not have any assigned health and safety equipment.

MONITORING OF GRANTS

BACKGROUND

TSD administers two grant programs:

- The Consultation, Education, and Training (CET) grant program provides competitive grants to employer groups, labor organizations, and other nonprofit organizations to provide training and education in emerging safety and health issues, to address particularly dangerous occupations, to extend MIOSHA's impact through train-the-trainer projects, and to provide training and outreach to difficult to reach groups. CET grant award recipients must comply with all spending and reporting requirements. During fiscal year 2023, MIOSHA awarded a total of \$870,000 CET grants to 19 recipients.
- The MIOSHA Workplace Improvement to Safety and Health (MIWISH) grant program awards qualifying employers a dollar-for-dollar match (up to \$5,000) to purchase safety and health-related equipment and equipment-related training. MIWISH grant award recipients must comply with all spending and reporting requirements. During fiscal year 2023, MIOSHA awarded a total of \$265,073 in MIWISH grants to 64 employers.

AUDIT OBJECTIVE

To assess the effectiveness of MIOSHA's monitoring of grants.

CONCLUSION

Effective.

FACTORS IMPACTING CONCLUSION

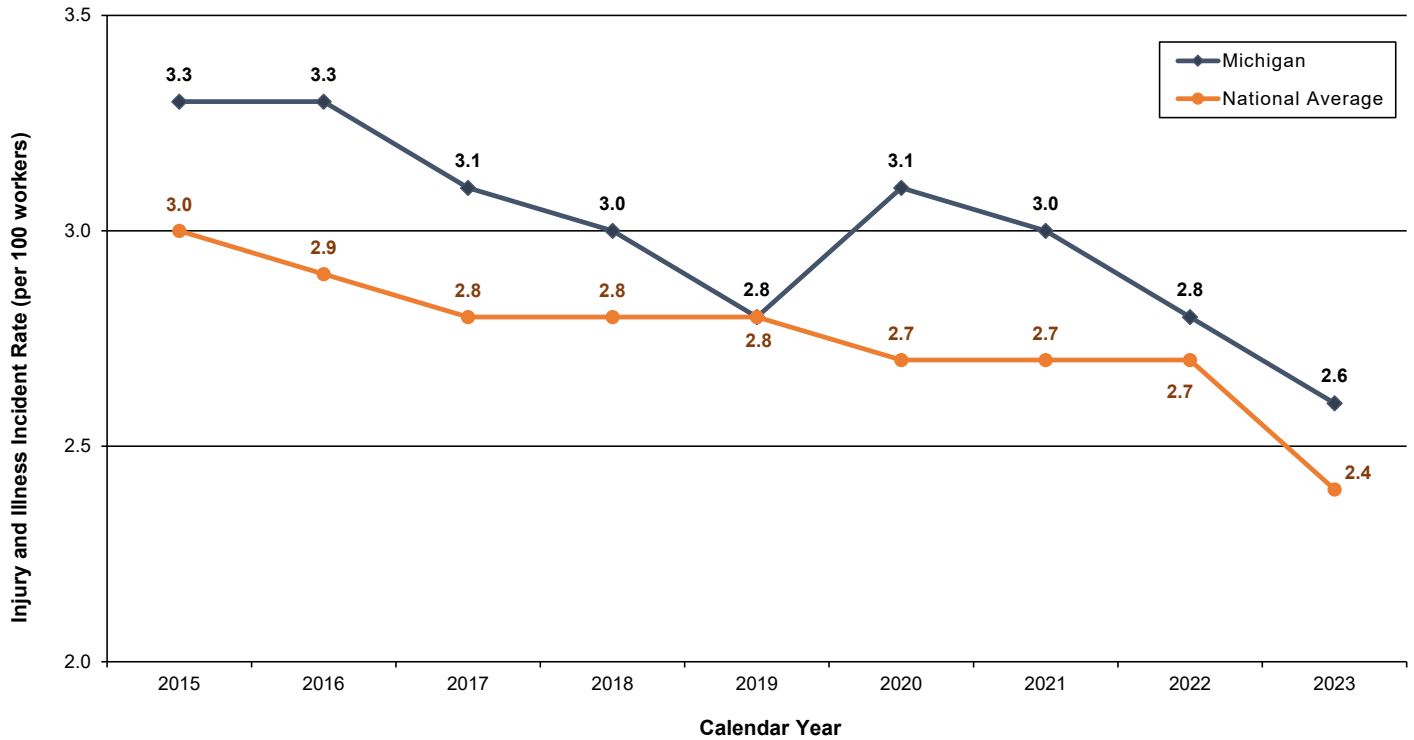
- MIOSHA utilizes a competitive selection process to award CET grants to nonprofit organizations and an application process to award MIWISH grants to employers.
- MIOSHA designated a grants administrator to monitor grantee expenditures and required recordkeeping.
- MIOSHA retained required documentation for all sampled CET grantees regarding grant initiation, financial reporting, and training courses.
- MIOSHA retained required documentation for all sampled MIWISH grantees regarding grant initiation, qualifying purchases, matching requirements, grant amounts, and timely submission for reimbursement.

SUPPLEMENTAL INFORMATION

UNAUDITED
Exhibit 1

MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (MIOSHA)
Department of Labor and Economic Opportunity

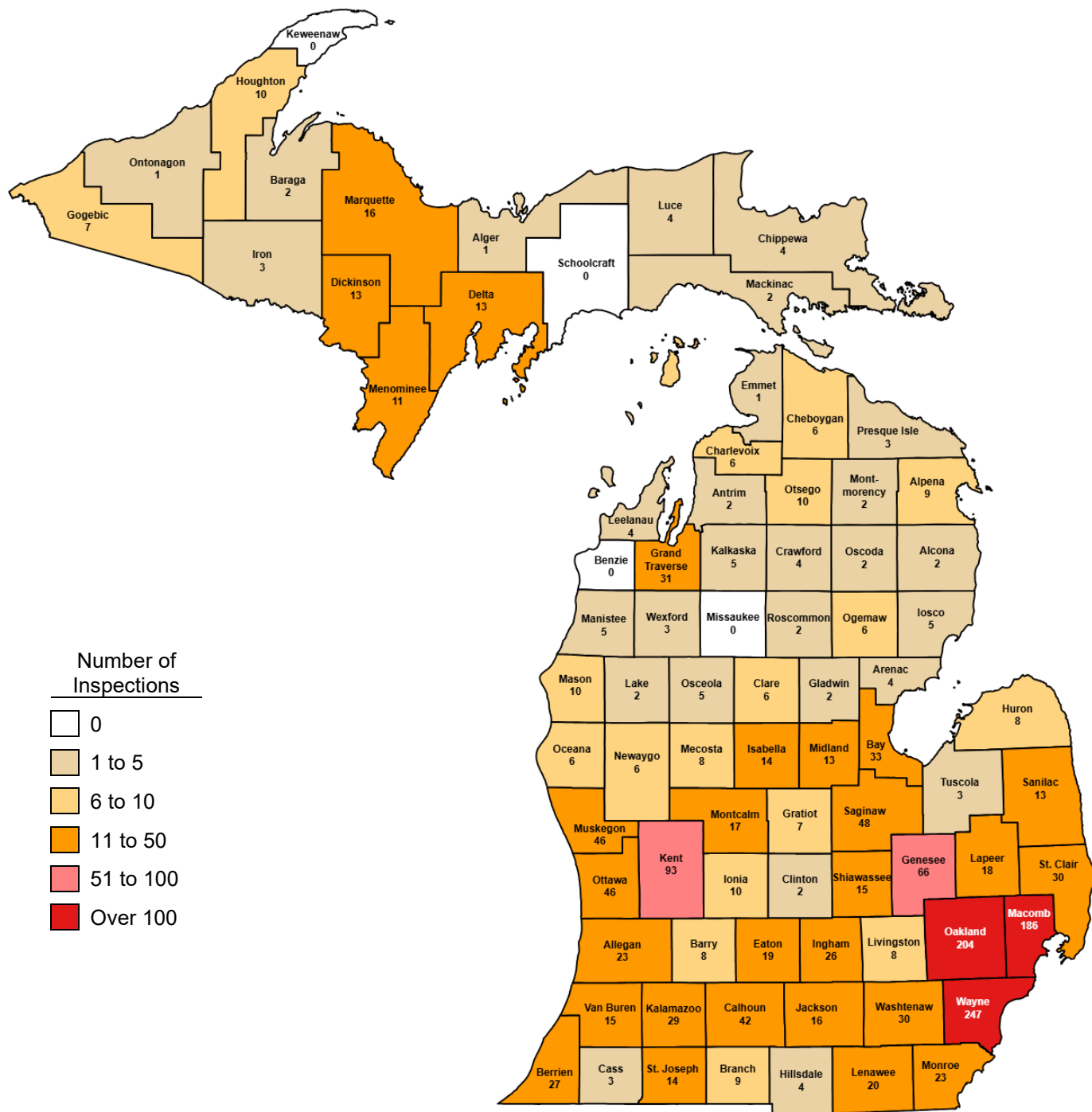
Annual Workplace Injury and Illness Incident Rates in the Private Sector
Calendar Years 2015 Through 2023



Source: The OAG prepared this exhibit with information obtained from the Bureau of Labor Statistics, United States Department of Labor.

MICHIGAN OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (MIOSHA)
Department of Labor and Economic Opportunity

General Industry Employer Establishment Inspections Completed
Fiscal Year 2023



Source: The OAG prepared this exhibit with data provided by MIOSHA from the OSHA Information System.

AGENCY DESCRIPTION

Executive Order No. 2019-13 transferred MIOSHA from the Department of Licensing and Regulatory Affairs to LEO.

MIOSHA's mission* is to help protect the safety and health of Michigan workers. MIOSHA accomplishes its mission by inspecting workplaces for compliance with occupational health and safety standards and ensuring compliance with health and safety regulations through various consultation, education, and training programs.

MIOSHA administers its occupational safety and health program in compliance with provisions of the Michigan Occupational Safety and Health Act (Sections 408.1001 - 408.1094 of the *Michigan Compiled Laws*) which must be at least as effective as federal OSHA standards.

MIOSHA also administers the:

- Asbestos Abatement Contractors Licensing Act (Sections 338.3101 - 338.3319 of the *Michigan Compiled Laws*).
- Asbestos Workers Accreditation Act (Sections 338.3401 - 338.3418 of the *Michigan Compiled Laws*).
- Radiation Control section of the Public Health Code (Sections 333.13501 - 333.13537 of the *Michigan Compiled Laws*).

During fiscal year 2023, MIOSHA expended \$19.6 million and \$12.9 million in State and federal funds, respectively. MIOSHA had 210 staff as of October 2023.

* See glossary at end of report for definition.

AUDIT SCOPE, METHODOLOGY, AND OTHER INFORMATION

AUDIT SCOPE

To examine the records and processes related to MIOSHA's efforts to protect the safety and health of Michigan workers. We conducted this performance audit* in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

As part of the audit, we considered the five components of internal control* (control environment, risk assessment, control activities, information and communication, and monitoring activities) relative to the audit objectives and determined all components were significant.

PERIOD

Our audit procedures, which included a preliminary survey, audit fieldwork, report preparation, and quality assurance, generally covered March 1, 2020 through December 31, 2023.

METHODOLOGY

We conducted a preliminary survey of MIOSHA to gain an understanding of MIOSHA's operations and activities in order to establish our audit objectives, scope, and methodology. During our preliminary survey, we:

- Interviewed MIOSHA administrative and divisional management.
- Reviewed applicable *Michigan Compiled Laws* and *Michigan Administrative Code* requirements.
- Examined MIOSHA standards, policies, and procedures.
- Observed one GISHD health inspection, one GISHD safety inspection, and one CSHD safety inspection.
- Analyzed available MIOSHA data, records, and statistics.
- Performed preliminary testing of health and safety inspections during fiscal year 2022 for compliance with applicable laws, standards, policies, and procedures.

* See glossary at end of report for definition.

OBJECTIVE 1

To assess the effectiveness of MIOSHA's enforcement of occupational health and safety standards.

To accomplish this objective, we:

- Randomly selected and tested 44 of 7,489 health and safety inspections completed from October 1, 2021 through December 31, 2023 for compliance with applicable laws, standards, policies, and procedures which included:
 - 10 complaints requiring a timely response.
 - 29 inspections requiring abatement* of identified hazards.
 - 1 inspection with citations escalated to the MIOSHA Appeals Division.
- Randomly and judgmentally selected 10 of 77 health and safety cases from October 1, 2021 through September 30, 2022 in which MIOSHA was unable to complete an inspection to ensure MIOSHA documented a reasonable explanation.
- Randomly and judgmentally selected and tested safety inspections for 50 of 5,588 radiation facilities completed from March 1, 2020 through December 31, 2023 for compliance with applicable State laws and *Michigan Administrative Code*.
- Randomly and judgmentally selected and tested 10 of 89 health and safety officers as of December 2023 for compliance with requirements related to training, performance evaluations, and conflict of interest disclosures.
- Analyzed enforcement data to determine whether MIOSHA:
 - Inspected general x-ray radiation machines in a timely manner as of December 31, 2024.
 - Targeted high hazard industries for programmed general industry employer health and safety inspections opened from October 1, 2019 through September 30, 2023.
 - Inspected 50% of all new asbestos licensees during the first year of licensure from October 1, 2019 through September 30, 2023.

* See glossary at end of report for definition.

- Performed inspections covering employers throughout the geographic areas of the State from March 1, 2020 through December 31, 2023.

Our random samples were selected to eliminate bias and enable us to project the results to the respective populations. We selected other samples judgmentally to ensure representativeness or based on risk and could not project the results to the respective populations.

OBJECTIVE 2

To assess the effectiveness of MIOSHA's processes for investigating whistleblower discrimination complaints.

To accomplish this objective, we:

- Randomly selected and tested 33 of 504 employee whistleblower discrimination complaint investigations completed from March 1, 2020 through December 31, 2023 for compliance with applicable State and federal standards.
- Analyzed employee whistleblower investigations to determine the timeliness of complaint investigations.

Our random samples were selected to eliminate bias and enable us to project the results to the entire population.

OBJECTIVE 3

To assess the sufficiency of MIOSHA's controls over selected health and safety equipment assigned to workplace inspectors.

To accomplish this objective, we:

- Randomly selected and tested 7 of 73 MIOSHA staff with assigned equipment as of December 2023 to ensure the 43 equipment items assigned were appropriately accounted for and calibrated as necessary.
- Randomly selected and tested 6 of 57 departed workplace inspectors as of December 2023 to ensure assigned equipment was returned to MIOSHA.
- Reviewed 100% of MIOSHA staff with equipment assigned in the database subsequent to departure from employment to ensure the equipment was accounted for.
- Reviewed 100% of field equipment database users as of March 2024 to ensure the appropriateness of access levels.

Our random samples were selected to eliminate any bias and enable us to project the results to the entire population.

OBJECTIVE 4

To assess the effectiveness of MIOSHA's monitoring of grants.

To accomplish this objective, we:

- Randomly selected and tested 6 of the 59 CET grant awards from fiscal year 2021 through fiscal year 2023 for compliance with grant requirements.
- Randomly selected and tested 6 of the 64 MIWISH grant awards from fiscal year 2023 for compliance with grant requirements.

Our random samples were selected to eliminate any bias and enable us to project the results to the entire population.

CONCLUSIONS

We base our conclusions on our audit efforts and any resulting material conditions* or reportable conditions*.

When selecting activities or programs for audit, we direct our efforts based on risk and opportunities to improve State government operations. Consequently, we prepare our performance audit reports on an exception basis.

**AGENCY
RESPONSES**

Not applicable.

**PRIOR AUDIT
FOLLOW-UP**

Following is the status of the reported findings from our January 2016 performance audit of the Michigan Occupational Safety and Health Administration, Department of Licensing and Regulatory Affairs (641-0440-15):

Prior Audit Finding Number	Topic Area	Current Status	Current Finding Number
1	Improved CET grant award administration needed.	Complied	Not applicable
2	Formal equipment inventory management policies and procedures needed.	Complied	Not applicable

**SUPPLEMENTAL
INFORMATION**

Our audit report includes supplemental information presented as Exhibits 1 through 3. Our audit was not directed toward expressing a conclusion on this information.

* See glossary at end of report for definition.

GLOSSARY OF ABBREVIATIONS AND TERMS

abatement	Action by an employer to comply with a cited standard or regulation or to eliminate a recognized hazard identified during an inspection.
CET	Consultation, Education, and Training.
CSHD	Construction Safety and Health Division.
EDS	Employee Discrimination Section.
effectiveness	Success in achieving mission and goals.
Federal Annual Monitoring and Evaluation (FAME)	A process through which federal OSHA monitors and evaluates State Plans annually. This process is used to determine whether the State Plan is continuing to operate at least as effectively as OSHA, to track a State Plan's progress in achieving its strategic and annual performance goals, and to ensure the State Plan is meeting its mandated responsibilities under federal laws and regulations. A formal report is issued each year.
GISHD	General Industry Safety and Health Division.
health inspections	Inspections conducted by industrial hygienists (health officers) to ensure compliance with health standards which generally focus on occupational health exposures, such as asbestos, lead, silica, noise, and air quality.
imminent danger	A condition or practice in a place of employment such that a danger exists which could reasonably be expected to cause death or serious physical harm either immediately or before the danger can be eliminated through the enforcement procedures otherwise provided.
internal control	The plan, policies, methods, and procedures adopted by management to meet its mission, strategic plan, goals, and objectives. Internal control includes the processes for planning, organizing, directing, and controlling program operations. It also includes the systems for measuring, reporting, and monitoring program performance. Internal control serves as a defense in safeguarding assets and in preventing and detecting errors; fraud; violations of laws, regulations, and provisions of contracts and grant agreements; or abuse.

LEO	Department of Labor and Economic Opportunity.
LESS	Laboratory and Equipment Services Section.
material condition	A matter, in the auditor's judgment, which is more severe than a reportable condition and could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program. Our assessment of materiality is in relation to the respective audit objective.
MIOSHA	Michigan Occupational Safety and Health Administration.
mission	The main purpose of a program or an entity or the reason the program or the entity was established.
MIWISH	MIOSHA Workplace Improvement to Safety and Health.
Occupational Safety and Health Administration (OSHA)	A federal agency within the United States Department of Labor and created with the passage of the Occupational Safety and Health Act of 1970.
performance audit	An audit which provides findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision-making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.
programmed inspections	Inspections of work sites scheduled based upon objective or random selection criteria. The work sites may be selected by State scheduling plans, special emphasis programs, or strategic plan-related criteria.
reportable condition	A matter, in the auditor's judgment, less severe than a material condition and falls within any of the following categories: a deficiency in internal control; noncompliance with provisions of laws, regulations, contracts, or grant agreements; opportunities to improve programs and operations; or fraud.
RSS	Radiation Safety Section.

safety inspection	An inspection conducted by safety compliance officers to ensure compliance with safety standards which generally focus on work activities.
State Plan	Federal OSHA approved job safety and health programs operated by individual states instead of federal OSHA.
TSD	Technical Services Division.
unprogrammed inspections	Inspections of work sites scheduled in response to alleged hazardous working conditions identified at a specific work site. Unprogrammed inspections include fatality and catastrophe investigations, accident investigations, complaint investigations, referrals, monitoring, variance, and follow-up inspections.



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