

## **Workforce Safety and Insurance**

### **Testimony before the Industry, Business, and Labor Committee On**

### **Performance Audit of Modified Workers' Compensation Coverage Program and Safety Audit of Roughrider Industries Work Programs**

**September 27, 2006**

#### **CHAIRWOMAN KREBSBACH AND MEMBERS OF THE COMMITTEE:**

My name is Mark Armstrong, Communications Executive of Workforce Safety and Insurance (WSI). I am here today to provide an update on the status of the modified workers' compensation program performance audit and Roughrider Industries safety audit as required by North Dakota Century Code (NDCC) section 65-06.2-09.

To allow Roughrider Industries to continue receiving federal funding through the Prison Industry Enhancement (PIE) Certification Program, the modified workers' compensation coverage program was established to provide coverage for inmates incarcerated at the State Penitentiary who are working in a prison industry program. NDCC Chapter 65-06.2 established specific requirements for the modified workers' compensation coverage program including: participation in WSI's Risk Management Program; any claims for workers' compensation benefits are subject to NDCC section 65-05-01; and reinsurance for all excess risks through the Risk Management Division.

In May 2005, members of our Safety and Loss Prevention staff conducted a safety audit of the work program at Roughrider Industries. Roughrider Industries was found to be in compliance with all components of WSI's Risk Management Program.

In September 2006, our Internal Audit staff conducted the performance audit of the modified workers' compensation coverage program. Internal Audit concluded the desired results and effectiveness of the program are being achieved.

Copies of the performance audit including the safety audit have been provided for your review.