

REPORT HIGHLIGHTS



CONVEYANCE PROGRAM
PERFORMANCE AUDIT, NOVEMBER 2015

DEPARTMENT OF LABOR
AND EMPLOYMENT

CONCERN

Our audit identified several areas in which the Department could improve its regulatory processes for ensuring that (1) conveyances operating within its territory of responsibility are safe and compliant with statutes, rules, and guidance; (2) occupational licenses are only issued after obtaining evidence that license applicants met qualifications required by statute, rules, and Division policies; and (3) local jurisdictions approved to regulate conveyances in their territories have standards that are “equal to or greater than” those of the Elevator and Escalator Certification Act (Act).

KEY FACTS AND FINDINGS

- Our review of 20 conveyances found that five conveyances operated for periods ranging from 15 to 904 days, even though one or more safety requirements had not been met. This includes one conveyance that was inspected 904 days after its certificate of operation expired, and five conveyances whose most recent safety tests occurred an average of 198 days after the prior safety test expired, in violation of rules. One conveyance had both a safety test that was more than 4 months late and an inspection that was about 2.5 years late.
- Our review of 15 licensing files and analysis of aggregate data for 570 licensees found 17 contractors, mechanics, and inspectors who did not qualify for licensure when the Division issued them a license between March 2009 and April 2015. Of those, 12 licensees were still licensed as of October 2015.
- As of July 2015, the Division had delegated regulatory authority to 30 local jurisdictions without making its own determination that they have standards “equal to or greater than” those of the Elevator and Escalator Certification Act.
- The Division’s system for monitoring does not hold local jurisdictions with approved regulatory authority accountable for complying with Division requirements. In addition, the Division has not clearly defined its expectations of such local jurisdictions.

BACKGROUND

- The Conveyance Program was established in January 2008 and is administered by the Division of Oil and Public Safety (Division).
- As of March 2015, there were about 19,500 regulated conveyances in Colorado.
- Conveyances regulated under the Act [Section 9-5.5-101, et seq., C.R.S.] include elevators, escalators, platform lifts, personnel hoists, dumbwaiters, and moving walks.
- The Division is responsible for registering conveyances; issuing certificates of operation for conveyances that have been deemed safe; enforcing the Act; licensing contractors, mechanics, and inspectors; and delegating authority for local jurisdictions to regulate conveyances.
- From April 1, 2014, through April 13, 2015, there were 570 contractors, inspectors, and mechanics with active licenses.
- As of July 2015, there were 26 local jurisdictions approved to regulate conveyances. These local jurisdictions regulate about 65 percent of the conveyances in Colorado.
- According to the Department, revenue for the Conveyance Program in Fiscal Year 2015 was about \$671,000, and expenses were about \$668,000.

KEY RECOMMENDATIONS

- Align the issuance of notices of violation with the grace period allowed in rule to submit passing inspection reports, as well as with the expiration of temporary certificates of operation.
 - Change rules to align the timing of safety tests so that they occur within a short amount of time (e.g., 30 days) before inspections.
 - Verify that applicants for licensure meet qualifications specified in statute and rule before issuing them licenses.
 - Follow up with 12 current licensees identified through our audit for whom the Division lacked evidence of qualification for licensure.
 - Obtain legal guidance from the Attorney General about whether a local jurisdiction’s attestation is sufficient in place of the Department determining “whether a local jurisdiction’s standards are equal to or greater than those of [the Elevator and Escalator Certification Act]” as a basis for delegating regulatory authority.
 - Describe all expectations for Approved AHJs in rule, written policy, or the MOA.
- The Department agreed with the audit recommendations.