

OEM Audit - 2014

Chair Evans, members of the committee, my name is Sheronne Blasi, and I am an audit manager with the Oregon Audits Division. I am here with Karen Peterson, who led this audit. Thank you for the opportunity for us to provide an overview of our audit of the Office of Emergency Management.

We conducted our audit work in 2013, and issued the report in 2014. Our initial focus was to review OEM's efforts to reduce the state's vulnerability resulting from emergencies, and to help provide for recovery and relief. However, early on we noted numerous internal challenges that may have adversely affected OEM's statewide role and responsibilities for facilitating and coordinating emergency activities. So we focused the objective of our audit on improvements OEM can make to its internal management practices to better help the state prepare for, respond to and recover from disaster.

We found that although OEM is responsible for preparing and maintaining a statewide emergency management plan, the plan was not complete. Specifically, there was not a Relief and Recovery Plan. Subsections of the Emergency Operations Plan were unfinished, such as those on public works and engineering, and volunteer and donations management. And there was no finalized debris management plan.

Also, Oregon's hazard mitigation plan had been downgraded due to grant management & monitoring issues, which lowered the amount of hazard mitigation funds the state receives following a disaster. For example, Oregon received \$62M for a 2007 disaster. Had the downgrade been in place then, Oregon would have received about \$3M less in potential mitigation funding.

Some stakeholders we spoke with, at the time, raised concerns about OEM's leadership in emergency management. Local emergency managers and other stakeholders pointed out OEM conducted little to no state recovery planning, the need for improved communication and collaboration from OEM, and opportunities for OEM-chaired committees to be more effective.

Those local emergency managers and other stakeholders we interviewed consistently mentioned wanting more OEM support and assistance, such as support in leading exercises or trainings. OEM chairs the Oregon Emergency Response System (OERS) Council, which did not have plans, guidelines or procedures in place. The council was to review major state disaster incidents, though out of the last six major disaster declarations, OEM had only two full after-action incident reports.

Interviews with stakeholders and employees consistently noted several internal concerns, such as poor management processes, and morale and trust issues among employees. OEM had significant management turnover and position vacancies in recent years. It had three different directors and three different deputy directors within a four-year timespan, and during part of that time the director position was vacant for almost two years. OEM hired all new management between May and October 2013, which was the first time in four years all management positions had been filled simultaneously. During the course of our audit, OEM also had legal issues arise. There were two unfair labor practices complaints filed, and management told us of related tort claims.

For the record, I'm Karen Peterson, with the Oregon Audits Division.

In September 2013, we administered a work environment survey of non-supervisory employees to gauge OEM's strengths and identify specific areas for improvement. About 90% of staff participated, which was achieved, in part, by OEM management's support and encouragement of staff to participate. Survey questions centered on general management practices and workplace environment expectations. While a high level of agreement is expected for most survey questions, employee responses were low in most categories. In over half of the survey questions, less than 45% of staff responded in agreement.

For example, only 25% agreed that management has set clear staff work priorities and expectations. The survey identified specific shortcomings and areas for improvement related to strategic direction, teamwork and coordination, employee development, communication, and staffing and workload management.

We found OEM did not have a strategic plan, performance measures were limited, policies and procedures were not current or complete, and little to no coordination of work among employees.

Specifically, OEM did not have its own formal strategic plan, but was sited in OMD's strategic plan, with only its mission, and vague goals & objectives. In survey comments, employees noted OEM needed to adopt strategic planning methods that include clearly defined direction and prioritization of tasks, and the need for formalizing processes.

OEM had three key performance measures, two of which measure county compliance with federal funding requirements, and other measures customer satisfaction for the entire Oregon Military Department. There were no established internal performance measures for the division or within each of the three sections.

Providing ongoing training and feedback to employees is critical for development and achieving a high level of organizational performance. Only about 1/3 of staff reported they received mentoring and regular feedback from managers, and only slightly more felt they had adequate training to perform their job well.

State policy and OEM's collective bargaining agreement both require OEM to regularly review position descriptions and annually conduct performance evaluations. A review of personnel files showed an average of three years since employees received an evaluation.

Having a training plan helps ensure training is directed to mandatory and critical professional development. OEM did not have a policy on professional development opportunities, a training plan for employees, or an effective system to track professional development courses taken by employees. At least ten years prior, OEM had established limited internal training requirements for all employees that focus on emergency management training. For some employees, most of these trainings are required by FEMA, but about a third had yet to complete the trainings within four years of being hired.

Internal, as well as external communications, were an area for improvement. Most staff were concerned about internal communications, including confusion

and lack of clarity regarding management decisions, and staff roles and authority between sections.

While OEM employees said there is not sufficient staff to handle the workload, there had been no systematic effort to determine how efficiently OEM is utilizing existing resources. Staff was unsure of their work priorities or how to best balance duties, and there was little planning for addressing ongoing workloads during an extended Emergency Coordination Center (ECC) activation and long-term recovery.

New management at that time recognized internal challenges during our audit and started taking steps towards improvements. The Adjutant General's top priorities included strategic direction planning and preparing for how the State will manage a Cascadia event. OEM management developed overarching priorities and a work plan for the division as well as each of its three sections. It also implemented a training needs plan, and was going to develop the division's strategic direction.

We made several recommendations to help OEM address its internal organizational issues, with clear and specific expectations, improved policies and workplace practices, better communication strategies, and feedback to improve its performance. Recommendations included:

- Develop and implement a strategic plan that involves employees and stakeholders
- Systematically evaluate training needs and develop a training plan to ensure staff receive professional development training, and management team members also receive management or supervisory training

- Develop or approve policies for key areas such as workplace behavior expectations, communication, training and professional development
- Develop ways to improve communication including evaluating and refining existing communication methods
- Ensure accountability with regular updating of position descriptions and timely performance evaluations
- Develop a system to collect and analyze suggestions for operation and process improvements
- Develop or refine the existing customer service survey to collect more useful and specific information about OEM's performance, and consider conducting annual staff work environment surveys
- Develop both division-wide and section performance measures that are regularly evaluated and used to improve operations
- Develop a plan to backfill emergency duties and positions, as well as regular staff duties, during an Emergency Coordination Center (ECC) activation and long-term recovery
- Document key work processes including grant administration, reimbursement processes, hazard mitigation, and training and exercise development
- Systematically evaluate staff work and align staff work priorities with strategic objectives

According to OEM, the majority of the recommendations have been fully implemented, and it is working to implement the remaining. Director Phelps is

here to provide you with an update of the current status of our prior audit recommendations.

I will quickly add that last year, we did some limited, follow-up work with OEM and stakeholders. Based on that work we decided to proceed with the audit we originally intended to conduct, which was examining OEM's efforts to reduce the state's vulnerability resulting from emergencies, and to help provide for recovery and relief. That audit work is currently in the planning phase.