

Secretary of State Audit Report

Kate Brown, Secretary of State

Gary Blackmer, Director, Audits Division



Office of Emergency Management: Rebuilding the Organization to Strengthen Oregon's Emergency Management

Summary

Oregon's Office of Emergency Management (OEM) is responsible for coordinating and facilitating emergency planning, preparedness, response and recovery activities with state and local emergency service agencies and nonprofit organizations. OEM activities include maintaining a single point for coordinating a statewide emergency response, preparedness planning, administering grant funding to local governments, and administering the 9-1-1 program.

The objective of our audit was to determine what improvements OEM can make to its management practices to better help the state prepare for, respond to and recover from disaster. Our audit focused on OEM's internal management practices. As such, we did not review program-specific activities in areas such as emergency preparedness and response, disaster recovery, hazard mitigation or the state's 9-1-1 program.

Our initial audit work indicated internal challenges within the division. OEM has had significant management turnover and position vacancies in recent years, with all new management hired between May and October 2013. Additionally, during our audit, OEM had legal issues arise (including unfair labor practices complaints and related tort claims).

Late September 2013, we administered a work environment survey to staff in order to gauge OEM's strengths and identify specific areas for improvement. While a high level of agreement is expected for most of the survey questions, scores were generally low in most categories. For over half of the questions, less than 45% of staff agreed. The survey identified specific shortcomings and areas for improvement related to strategic direction, teamwork, employee development, communication, and staffing and workload management. Additionally, we found the division did not have a strategic plan, performance measures were limited in relevancy, policies and procedures were not current or complete, employee evaluations were not regularly conducted, and there was no training plan for employee professional development.

New management has recognized internal challenges and has started taking steps toward making improvements. The Adjutant General's top priorities include strategic direction planning and preparing for how the State will manage a Cascadia earthquake event. OEM management has developed and implemented overarching priorities and a work plan for the division as well as for each of the three sections. OEM management has plans for developing the division's strategic direction and has implemented a human resources training needs plan.

We recommend OEM resolve its organizational issues with clear and specific expectations, improved policies and work processes, better communications strategies, and feedback to improve its performance.

Agency Response

The agency response is attached at the end of the report.

Background

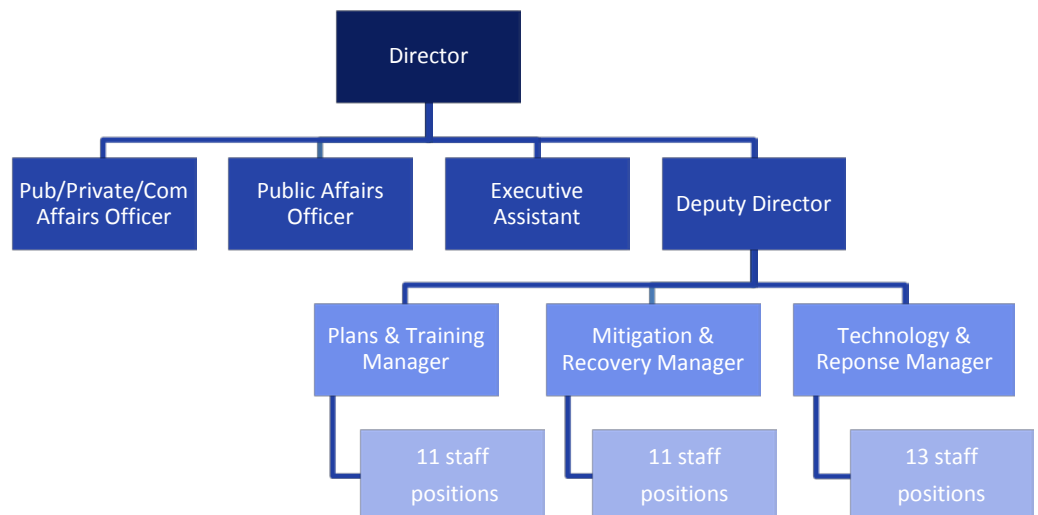
The Oregon Office of Emergency Management (OEM) is responsible for coordinating and facilitating emergency planning, preparedness, response and recovery activities with state and local emergency service agencies and nonprofit organizations. This involves the following primary functions:

- Prepare and maintain a statewide emergency management plan,
- Coordinate and facilitate preparedness, response and recovery efforts from emergencies (such as managing most disaster declarations, managing the Oregon Emergency Response System and maintaining the state's Emergency Coordination Center),
- Coordinate exercises and training, planning, preparedness, response, mitigation and recovery activities with state and local emergency services agencies and organizations,
- Administer federal grants for emergency preparedness, hazard mitigation and disaster recovery, and
- Manage the statewide 9-1-1 system and administer 9-1-1 tax revenue.

OEM is one of four divisions within the Oregon Military Department (OMD). OEM was previously a part of the Oregon State Police for about 14 years before being transferred to OMD in 2007.

OEM's legislatively-adopted budget for the 2011-13 biennium was about \$281.5 million, of which only about \$2.1 million was from the General Fund. OEM receives the majority of its funding from the Department of Homeland Security and the Federal Emergency Management Agency (FEMA), and the state emergency communications tax for the 9-1-1 program. OEM has approximately 40 employees and is organized mainly into the Director's Office and three sections (Mitigation and Recovery, Plans and Training, and Technology and Response), as shown in Figure 1.

Figure 1: OEM Organization



Management turnover

OEM has had various management changes in the past several years. In the last four years ending November 2013, the division has had three different Directors and three different Deputy Directors. The Director position was vacant for almost two years starting July 2010. The next Director, who started in June 2012, was in place for approximately a year before being placed on administrative leave in May 2013 and later terminated from the position. The Deputy Director position was vacant for at least five years until 2008 and then vacant again from June 2012 to September 2013. Similarly, in the last three years, there have been three different managers for each section, two of which resigned in May 2013 after about two years in their positions.

Both OMD and OEM have new management, with a new OMD Adjutant General appointed in August 2013 and Deputy Director in July 2013. OMD also has a new State Personnel Director as of November 2013. At OEM, with the exception of one section manager, all new management was hired between May and October 2013. This is the first time in almost four years that all of OEM's management positions have been filled simultaneously.

Emergency response coordination in Oregon

In Oregon, emergency response is primarily a local responsibility. Statutes require each county in Oregon to establish an emergency management agency. Each county's emergency management agency is responsible for coordinating activities to prepare and maintain a current emergency operations plan and facilities to direct emergency response activities, establishing structure for a coordinated response by all local emergency service agencies, and coordinating with OEM to integrate effective practices in emergency preparedness and response. The staffing within counties can range from several employees dedicated to emergency management, to a part-time employee or local official with other duties (e.g., a Sheriff or Judge). Additionally, cities can establish their own emergency management agency to coordinate with their county.

When an emergency or disaster occurs, such as winter storm flooding, counties are responsible for responding. Some counties have mutual aid and interagency agreements with other counties to help with emergencies or disasters they are unable to handle on their own.

When an emergency or disaster is too large for counties to handle, the counties can request state assistance. OEM then serves as the single point of contact for an integrated state-level response, which occurs through the state's Emergency Coordination Center (ECC). OEM maintains a system to relay local needs to the state agency officials who can help provide those services.

If an emergency or disaster results in substantial damage, a presidential disaster can be declared. In that case, OEM works with FEMA to determine the extent of federal assistance for response and recovery efforts. FEMA-related federal assistance funding for public and individual assistance is awarded directly to OEM, and OEM reimburses state and local jurisdictions for response and recovery work. Also, federal funding is awarded for implementing long-term hazard mitigation measures after a major disaster declaration. OEM receives and monitors that funding as well.

Audit Results

The state could be better prepared for long term recovery

Oregon's Emergency Management Plan has not been completed

OEM is responsible for preparing and maintaining a statewide emergency management plan. Oregon's emergency management plan consists of three volumes: Preparedness and Mitigation, the Emergency Operations Plan, and Relief and Recovery.

Oregon does not have a formal Relief and Recovery Plan. OEM has disaster recovery assistance information available related to assistance requests, and damage assessments, and a checklist for public officials on actions to consider taking before and after a disaster. Yet, without a complete plan, the state's recovery from a major disaster could be delayed and less effective.

Further, the Emergency Operations Plan broadly describes the state's organization in responding to emergencies and disasters. It is supplemented by annexes that describe management functions common to most major emergencies or disasters, as well as annexes that outline specific incident scenarios and responsibilities. For example, there are annexes on public works and engineering, energy, volunteer and donations management, and severe weather. However, we noted many of these annexes had one or more sections that were undeveloped or incomplete. Additionally, we found there is no formal process for approving the annexes or updates to them, or for assessing the plan and annexes for missing elements.

Additionally, the 2011 debris management plan had comments and areas highlighted that were intended to be addressed but were not. A debris management plan is a critical part of major recovery efforts. For example, in a Cascadia event (a catastrophic magnitude 9.0 earthquake and resultant tsunami), it is estimated Oregon will have to move more than one million truck loads of debris.

The Adjutant General's top priorities include planning for how OMD and OEM will coordinate the state's response and recovery in a Cascadia event. Also, OEM has established a work plan for 2014 that includes drafting and completing the Relief and Recovery Plan by December 2014.

Loss of future federal funds to assist with hazard mitigation

Oregon stands to lose significant funds for hazard mitigation in the event of a presidential disaster declaration. If Oregon receives federal funding to assist in response and recovery from a disaster, it can also receive a percentage of that amount in addition for mitigation projects. The additional percentage is either 20% when a state has an enhanced mitigation plan or 15% if it has a basic plan.

Oregon's hazard mitigation plan was downgraded from enhanced status to basic status in 2012. According to OEM employees, the change was the result of problems OEM had in managing and monitoring the grant funds. This change reduced the federal funding allowance for hazard mitigation to 15%. For example, Oregon received assistance up to \$62 million for a 2007 disaster. Had the downgrade been in place then, Oregon would have lost out on about \$3 million in potential mitigation funding. According to OEM management, OEM has improved reporting requirements and is pursuing regaining the enhanced status designation.

OEM could be doing more to lead preparations

Some stakeholders we spoke to raised concerns about OEM's leadership for emergency management in the state. They pointed out OEM has 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. Additionally, some stakeholders stated OEM declined to participate in meetings and planning processes related to mitigation and recovery.

Those local emergency managers and other stakeholders we interviewed consistently mentioned wanting more OEM support and assistance. For example, managers wanted support in leading exercises or trainings, and additional technical assistance for planning efforts at the local level.

OEM chairs the Oregon Emergency Response System (OERS) Council, which includes representation from 22 state agencies. The Council is responsible for helping oversee the OERS, which coordinates notifying state agencies of emergencies (e.g., natural or technological hazards). The Council does not have established plans, guidelines or procedures. For example, a part of the Council's responsibility is to review major disaster incidents that occur in the state. However, there is no guideline or procedures in place to ensure that is accomplished. Of Oregon's six major disaster declarations from 2007 to 2012, OEM provided two full after-action incident reports. OEM has added the development of an OERS Council charter as well as incident reporting and tracking to its 2014 work plan.

First, rebuild the organization to address the emergency needs of the state

Initial audit work indicated internal challenges

Our initial audit work indicated internal challenges may have adversely affected OEM's statewide role and responsibilities. Interviews with multiple stakeholders and employees noted internal OEM concerns, such as poor management processes, morale and trust among employees. During the course of our audit, OEM had legal issues arise as well. There were two unfair labor practices complaints filed and management told us of related tort claims.

Late September 2013, we administered a work environment survey of non-supervisory employees to gauge OEM's strengths and identify specific areas for improvement. Survey questions centered on basic elements of workplace and management practices. In high performing organizations, a high level of agreement is expected for most, if not all, questions.

Generally, employee responses were low in most categories. In over half of the survey questions, less than 45% of staff agreed with the questions. The survey identified specific shortcomings and areas for improvement related to strategic direction, teamwork, employee development, communication, and staffing and workload management.

The first step is to address internal organizational needs

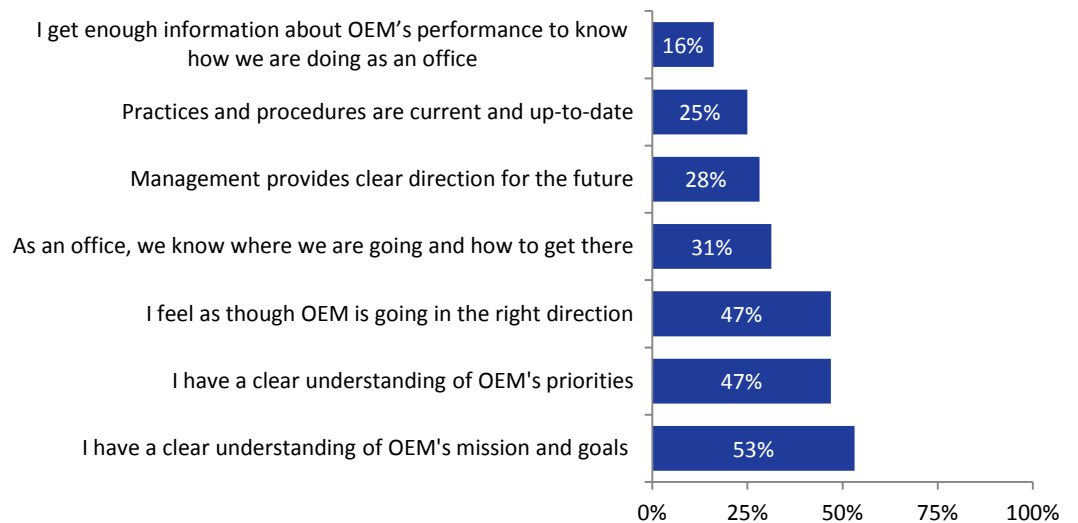
Results of the survey and interviews indicated OEM had some rebuilding to do. Rebuilding an organization takes focused effort over time. To address its statewide responsibilities, OEM should first address internal organizational challenges and needs as discussed in following sections.

Develop, communicate and implement agency strategic direction

Best management practices, including those designed for emergency management, specify organizations should develop a strategic plan to impart their vision, mission and goals along with the strategies to accomplish those goals. Organizations should also develop methods to implement strategies and measure performance to evaluate progress.

Few employees we surveyed agreed management provides clear direction for the future, or knew where the division was headed and how to get there. Additionally, only a quarter of employees agreed OEM policies and procedures were current.

Figure 2: Agency Strategic Direction Survey Questions (percentage of employees that “strongly agreed” or “agreed”)



Source: OAD Work Environment Survey

OEM developing division-wide strategic direction

OEM does not have a formal strategic plan in place. OMD's 2011-2015 state strategic plan devotes one page to OEM and includes its mission, three goals and objectives under each goal. The goals and objectives are vague, largely seem to restate OEM's core functions, and do not include milestones or methods for implementation. The Adjutant General's has stated his top priorities include strategic planning, and OMD has started developing the agency's strategic plan.

In survey comments, employees said OEM needed to adopt strategic planning methods that include clearly defined direction and prioritization of tasks. Other comments indicated the need for formalizing processes and having a consistent management philosophy. OEM management recently designed a project plan for developing the division's strategic direction and included that on its work plan. Management stated it is in the process of developing its strategic plan.

Performance measures could be more relevant

OEM has three key performance measures, two of which measure county compliance with specific federal funding requirements. The third is a customer satisfaction measure for all of OMD that includes overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information. OMD's target for this measure is 56% service satisfaction. OEM employees commented the customer survey used for the measure has limited utility for measuring OEM performance. Further, stakeholders we spoke with commented OEM's customer service needed to be enhanced in some areas.

OEM has not established internal performance measures either for the entire division or within each of the three sections. Without meaningful, regular measures of performance it is difficult for the division to know how effective it is at accomplishing its primary functions, mission and goals.

OEM management said they also obtain feedback through monthly phone meetings with local emergency managers. However, we reviewed meeting minutes from January 2012 to July 2013 and found, on average, only about 40% of local emergency managers participated in the monthly calls, and seven never participated at all. The minutes indicated the focus of the calls was for OEM to provide updates on its activities, with OEM soliciting little feedback from local emergency managers. In October 2013, OEM management began efforts toward making the monthly updates a more interactive process, including a discussion of what counties are doing and feedback on OEM activities.

Policies and procedures not current or complete

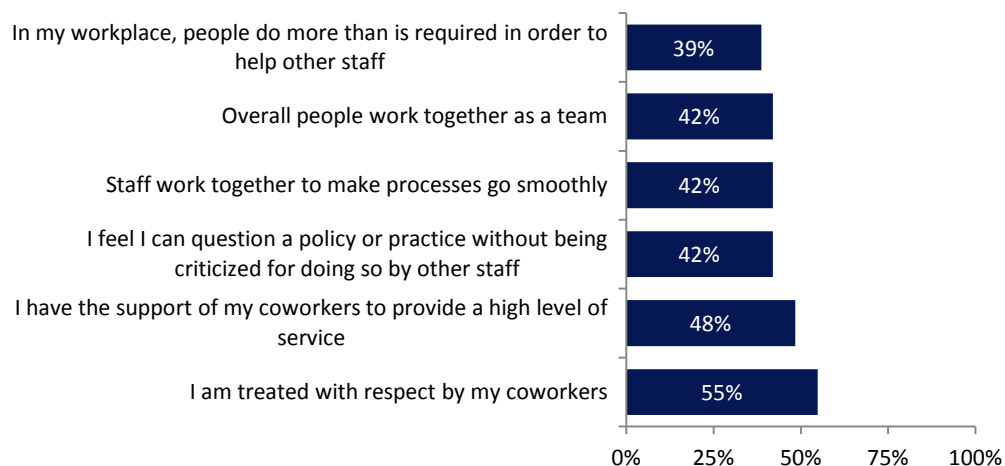
We noted OEM has some written policies and procedures, but many of those are limited to general office functions. Staff and management stated policies and procedures were not current and did not formalize some of the key work processes. For example, grant management procedures for one federal program and a review process for the state's 9-1-1 system invoices have not been documented. Additionally, management does not have a policy, plan or directive to regularly review and update policies and procedures. Having key work processes documented helps with continuity of operations, staff succession, and review of processes for efficiencies.

Strengthen teamwork and coordination among employees

Maintaining a professional workplace is expected of all state agencies and state employees. Professional behavior, in addition to supporting the values and mission of Oregon state government, helps build positive working relationships with others and respectful communications. Professionalism provides a foundation for teamwork that fosters cooperation, commitment and unity.

Survey results indicated concerns with teamwork within OEM. Fewer than half of staff agreed with survey questions related to effective teamwork, including working together as a team, supporting one another and questioning a policy or practice without being criticized by other staff. Further, only 55% of staff felt they were treated with respect by coworkers.

Figure 3: Support Among Employees Survey Questions (percentage of employees that “strongly agreed” or “agreed”)



Source: OAD Work Environment Survey

In open-ended survey responses and interviews, staff outlined concerns about OEM’s workplace, including strained internal relationships and difficulties coordinating work.

OEM management has not provided employees with division-wide training related to workplace behavior expectations or teamwork in more than three years. For a three-year period ending November 2013, only two OEM employees accessed trainings through the state’s online training system for related courses and lessons such as dealing with difficult team members and effective project communication. To begin addressing this, OEM management has developed a human resources training plan that includes topics such as team building, conflict resolution and diversity. Training is scheduled in early 2014 for managers on performance management and for all employees on creating a positive workplace.

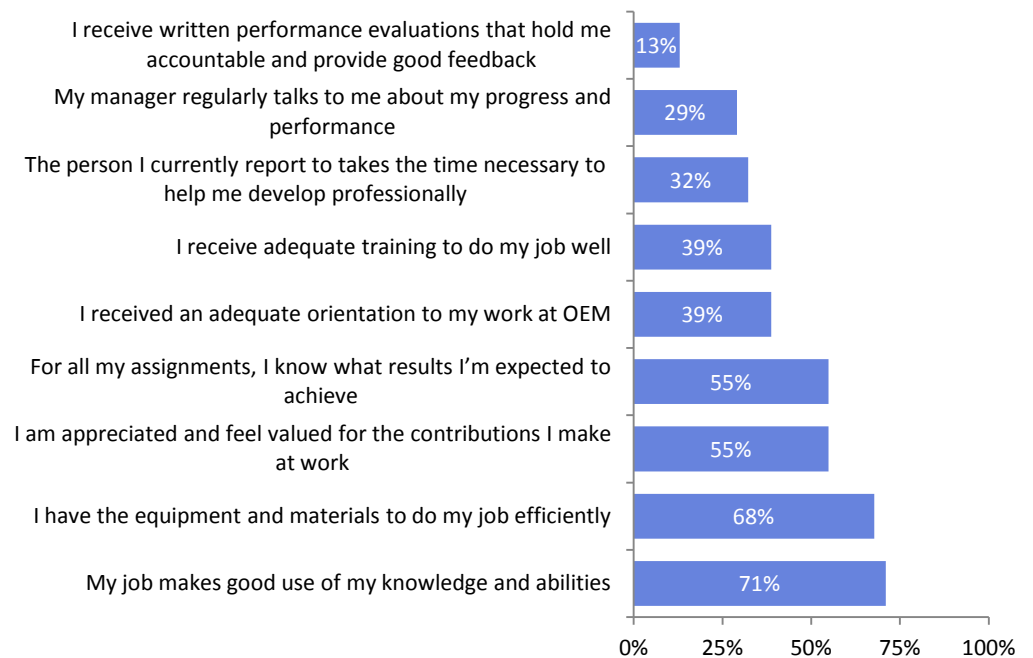
Staff said the three sections within OEM often operate independently. This creates difficulty in coordinating teamwork. Staff mentioned problems with differing interpretations of policy requirements that each section has developed on its own. Also, staff in one section drafted a plan for uniform grant oversight that has remained in draft form for over a year waiting for input from staff in another section. Staff mentioned that even within some sections, there was little to no coordination of work among employees with similar responsibilities.

Improve employee development through feedback and training

Providing ongoing training and feedback to employees is critical for employee development and achieving a high level of organizational performance. Organizations should have a training program that provides employees with workplace and performance expectations, and the skills needed to succeed in their job duties. Ongoing feedback and formal evaluations let employees know how well they are meeting expectations and provide employees the opportunity to develop professionally or address performance issues.

Staff responses to survey questions indicated deficiencies in the areas of feedback, mentoring, and training. Only about a third of staff reported they received mentoring and regular feedback from their managers, and only slightly more felt they had adequate training to perform their job well.

Figure 4: Feedback and Employee Development Survey Questions (percentage of employees that “strongly agreed” or “agreed”)



Source: OAD Work Environment Survey

In open-ended survey responses and interviews, several staff expressed concern about a lack of staff accountability. Also, staff commented there was little to no orientation for new staff or professional training, and several staff said they could use more developmental training.

Evaluations and updated position descriptions not regularly performed

State policy and OEM's collective bargaining agreement both require OEM management to regularly review position descriptions and annually conduct performance evaluations. However, OEM has not routinely conducted annual evaluations. A review of 15 OEM personnel files showed an average of three years since employees received an annual evaluation. Two staff had no evaluations for more than four years, and there was no documentation new hires received a first annual evaluation. Further our review of personnel files found on average, it had been three years since position descriptions were updated and one had not been updated for more than five years.

OEM management's work plan calls for all employees to receive a performance evaluation and position description review by the end of March 2014.

No training policy or plan

Having a training plan helps ensure training funds are directed to mandatory and critical professional development for staff and management. We noted discussing training needs is supposed to be part of OEM's performance evaluations, but without regular evaluations this opportunity is missed.

Though OMD policy delegates the majority of employee orientation and training to division managers, OEM does not have a formal policy on professional development opportunities or a training plan for employees. At least 10 years ago, OEM management 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. However, about a third of employees had yet to complete the trainings within four years of being hired, as required by OEM.

We also found OEM did not have an effective system in place to track professional development courses taken by employees. OMD policy requires division managers to provide an annual report of staff training that is to be kept in each employee's official personnel file. However, for the 15 files we reviewed, the training records contained few, if any, certificates of completion.

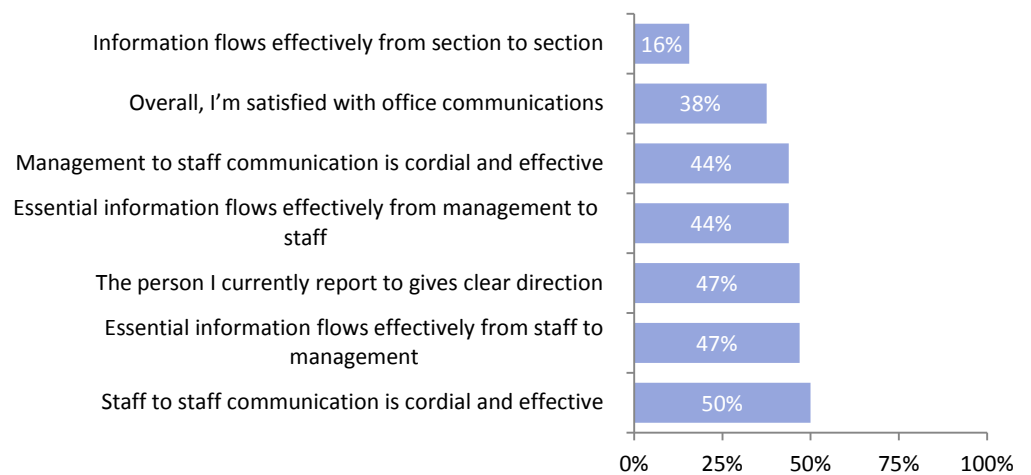
OEM management has included on its 2014 work plan the development of a training program that is to include career-based training and certification program, section training expectations, and a system to track operational and career development information.

Refine communication efforts

Internal communication is fundamental for any organization. Key indicators of good internal communication include information moving effectively in the organization, and innovation and problem-solving taking place among employees and management.

Our survey results suggest concerns with internal communications. Only 38% of staff agreed they were satisfied with office communications, and only 16% felt information moved well between sections.

Figure 5: Quality & Results of Communications Survey Questions (percentage of employees that “strongly agreed” or “agreed”)



Source: OAD Work Environment Survey

In interviews, staff commented about confusion and lack of clarity regarding management communications, staff roles and authority between sections. Additionally, staff said they were not informed about management decisions.

Management uses weekly staff meetings as a communication channel. Each section holds a meeting that is followed that day by a division-wide meeting. While employees are given the opportunity to participate, they noted a lack of engagement between management and staff during the meetings.

OEM management has regular meetings with labor union representatives at least every few months, which have been used for open discussions of staff concerns. Based on the minutes from those meetings, there were labor requests for better communication from management (e.g., available trainings, position openings, and new hires) and improved communications among staff.

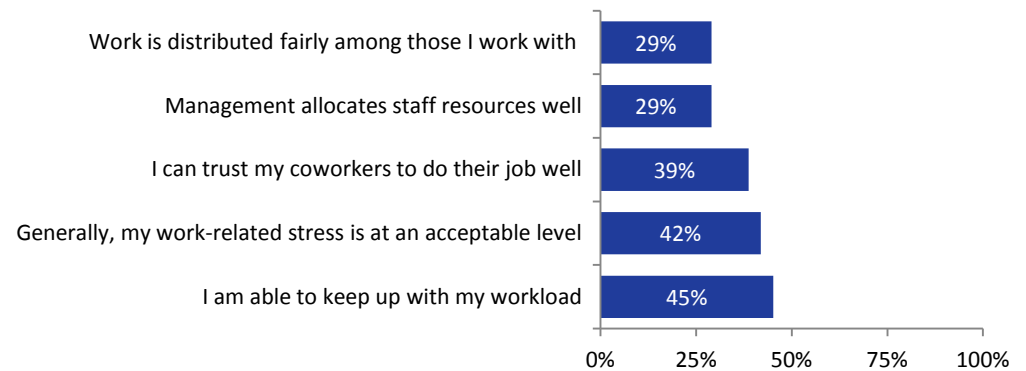
OEM management has advised managers to meet one-on-one with staff to improve communications. Also, management recently developed an internal communications plan that includes considerations and strategies for internal communications, provisions for an internal newsletter and emails from the Director to educate employees about significant events.

Better manage staffing and workload

To leverage existing workforce resources for maximum efficiency, best practices include a workforce analysis. A workforce analysis determines the gaps that exist between current workforce resources and the resources needed to accomplish strategic requirements.

Staff survey responses suggested OEM’s workforce planning could be improved. Only 29% of staff felt work was distributed fairly and management allocated staff resources well. Less than half said they were able to keep up with their workload or felt their work-related stress was at an acceptable level.

Figure 6: Resources & Workload Survey Questions (percentage of employees that “strongly agreed” or “agreed”)



Source: OAD Work Environment Survey

While OEM employees said OEM does not have sufficient staff to handle the workload, there has been no systematic effort to determine how efficiently OEM is utilizing existing resources. For example, OEM has not established performance measures within sections or conducted an analysis of staffing or organizational structure.

Many staff mentioned they have multiple duties and responsibilities. Yet staff commented they were unsure what their top work priorities were or how to best balance their duties. According to management, they intend to use the work plan to discuss work priorities for staff.

When a disaster occurs and the Emergency Coordination Center (ECC) is activated, OEM staffs and manages the ECC. Many OEM employees have ECC duties that can be their main priority for weeks. OEM has a Continuity of Operations Plan that identifies critical services to be provided in the

hours and days following a major event to sustain OEM’s essential functions for at least 30 days. OEM management told us this plan addresses longer term staffing needs following a major event.

Some larger disasters require OEM staff to work jointly with FEMA staff during the recovery phase on such tasks as collecting damage information and getting recovery projects in place. This can take up to six months and greatly impact OEM’s daily operations and staff workloads. For example, one staff said the additional duties required during a disaster resulted in reduced project oversight that required about two years to resolve. Some staff recommended OEM develop better back up plans such as training other employees or considering using other entities to provide support in handling the recovery work (e.g., damage assessments and management of recovery contracts) and the work backlog (e.g., grant management) to help during those extended times.

Better engage employees to improve agency operations

State policy encourages agencies to actively solicit input from employees to make work processes more efficient. Empowering employees to share their ideas and concerns with management helps foster the organizational decision-making process.

Our survey found slightly over half of OEM staff felt engaged in conversations about potential OEM improvements. For instance, 58% of staff agreed management encourages employees to communicate suggestions for improvement, and only 45% felt management gave serious consideration to their improvement suggestions.

Figure 7: Openness & Involvement Survey Questions (percentage of employees that “strongly agreed” or “agreed”)



Source: OAD Work Environment Survey

Through our interviews with staff and our review of labor-management meeting minutes, we learned staff made suggestions for improving division operations and processes. However, there was no formal practice, such as a work environment survey or other procedure, for capturing improvement suggestions for management to consider and possibly implement. Without a system to collect and analyze suggestions, it is difficult to gauge the issues that need to be addressed and incorporate suggestions for improvement.

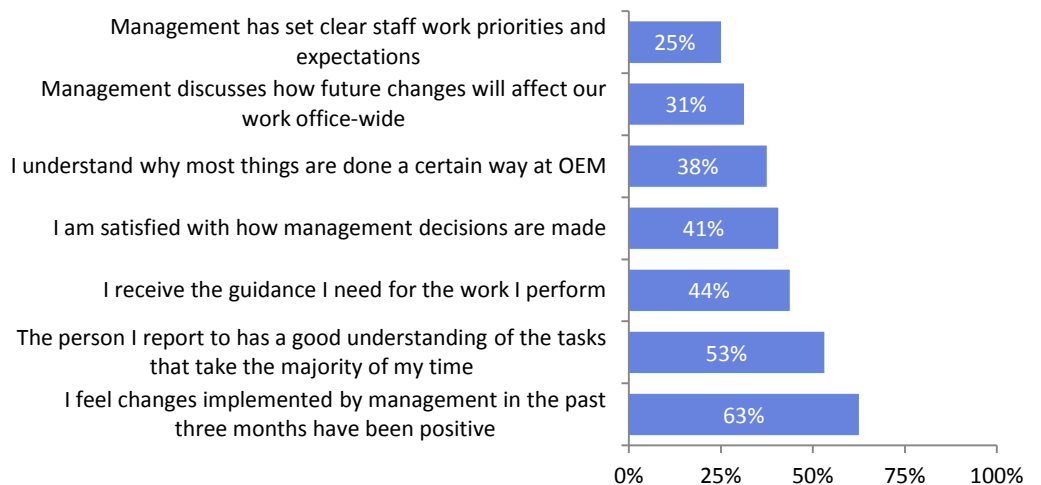
New management team is beginning to address agency leadership issues

To address performance deficiencies, agency management should determine the root cause and implement a change management process with the following elements:

- provide adequate resources to support the change;
- take visible actions to support new ways of working;
- facilitate the change management process by monitoring and addressing problems in the transition process;
- hold people accountable for performance results and meeting their commitments to the change process; and
- focus on performance and progress against change milestones.

Staff responded to the survey with mixed results regarding OEM’s overall leadership. For instance, only 38% of staff said they understood why things are done a certain way at OEM, and less than half of staff said they were satisfied with the way management decisions are made. However, 63% of staff agreed changes made by new management in the past three months have been positive.

Figure 8: Leadership in General Survey Questions (percentage of employees that “strongly agreed” or “agreed”)



Source: OAD Work Environment Survey

OEM has started new efforts at process improvement

Open-ended survey responses showed some employees are positive and hopeful about the new management team. OEM management acknowledged they have internal challenges and noted they have started taking steps to address division direction and leadership issues. For example, OEM management has implemented a work plan for the division as well as individual section work plans. OEM has also designed a plan for developing the division's strategic direction, and a human resources training needs plan.

OEM management has also formalized a few processes recently, such as those governing travel advances and travel reimbursement. Management has also started taking inventory of the various reports it generates annually and has established a deadline for completing employee evaluations. Besides focusing internally, OEM management is also looking into ways to improve stakeholder relations.

Recommendations

To address the emergency needs of Oregon, OEM should first resolve its management issues with clear and specific expectations, improved policies and work processes, better communications strategies, and feedback to improve its performance. Specifically, we recommend OEM:

- develop and implement a strategic plan that involves employees and stakeholders;
- develop a plan to backfill emergency duties and positions, as well as regular staff duties, during an ECC activation and long term recovery;
- 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;
- document key work processes including grant administration, reimbursement processes, hazard mitigation, training and exercise development;
- develop ways to improve communication including evaluating and refining existing communication methods such as team meetings, all staff meetings, and one-on-one communication;
- systematically evaluate staff work and align staff work priorities with strategic objectives;
- 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;
- work with OMD to 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; and
- develop both division-wide and section performance measures that are regularly evaluated and used to improve operations.

Objectives, Scope and Methodology

Our audit objective was to determine what improvements the Office of Emergency Management (OEM) can make to its management practices to better help the state prepare for, respond to and recover from disaster.

The scope of our audit included OEM's internal management practices. We did not review OEM's program-specific activities in areas such as emergency preparedness and response, disaster recovery, hazard mitigation or the state's 9-1-1 program.

To answer our audit objective, we reviewed applicable state laws and rules, statewide policies, and management best practices including those related to emergency management agencies. We reviewed division and agency policies and procedures, performance measures, customer service surveys, and strategic planning documents. We obtained and reviewed meeting minutes between division management and union representatives, as well as meetings held with local emergency managers.

We interviewed 23 current and past agency and division employees, as well as 10 state partners (e.g., agency representatives on the Oregon Emergency Response System Council and Oregon Governor's staff) and eight local emergency managers from different regions within the state. We also interviewed staff and reviewed audit reports from FEMA and the Department of Homeland Security's Office of the Inspector General.

We sent a survey to all 35 non-supervisory staff at OEM. The survey response rate was about 90%. The survey included 47 questions on general, expected management practices and workplace environment expectations, as well as three broad, open-ended questions.

We reviewed organizational charts and data from the state's personnel and position database for changes in division and agency management. We reviewed 15 employee personnel files to evaluate the timeliness of OEM's performance evaluations and professional development training records, and the corresponding position files to review position descriptions. We obtained training reports maintained by OEM and from the state's training system. We also reviewed agency documentation for 37 travel and training reimbursements to employees.

We reviewed Oregon's major disaster declarations and elements of the state's Emergency Management Plan.

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 findings and conclusions based on our audit objectives.



Oregon

John A. Kitzhaber, MD, Governor

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February 5, 2014

Sheronne Blaisi, Audit Manager
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Dear Ms. Blaisi,

Please accept this letter as the formal response by the Oregon Military Department (OMD) Office of Emergency Management (OEM) to the Secretary of State's audit. The OMD greatly appreciates the time and effort put forth during this audit by the Secretary of State's office, the opportunity to meet with the audit staff to discuss their findings, and the resulting recommendations to help improve the management practices of OEM.

While OEM generally agrees with the audit recommendations and has already begun the implementation of many positive changes; I would like to highlight a few important events that occurred during the audit process, and how we are addressing the specific recommendations made by the Secretary of State's audit team.

During the audit process, there was a change in the Director of OEM and the vacant Deputy Director position was filled. In addition, the OMD underwent changes in leadership with my appointment as the new Adjutant General in August 2013, a new OMD Deputy Director in July 2013, and a new State Personnel Director in November 2013.

The new OEM leadership team identified early the need to implement improved management processes and procedures, which are in line with many of the recommendations identified in the Secretary of State's audit report. OEM is committed to clearly define its strategic direction which will drive priorities, initiatives and work plans for OEM team members. The new strategic direction will also ensure their efforts are focused on the most critical deliverables that contribute to a safe and more resilient Oregon. This organizational change will take time and OEM is committed to its successful implementation. Toward that end, OEM is working with the Center for Executive and Professional Education at Portland State University to help facilitate the change management process currently underway.

The new OEM management team also recognizes its current staffing levels are not adequate to cover all desired capabilities and agrees with the audit report's consistent theme of being under-resourced. A point echoed by employees, stakeholders and management. The new strategic direction will provide OEM's priorities and objectives to ensure efforts and resources are focused on the most critical needs first. OEM will continue to seek funding opportunities, in light of decreasing federal grants, to address its resource shortfalls and ensure successful results.

With respect to the audits specific recommendations, the following highlights how OEM is addressing the recommendations, and provides clarification on assumptions that were used as the baseline for certain recommendations.

1. Develop and implement a strategic plan that involves employees and stakeholders.

OMD has published the first of its three strategic documents, and OEM is currently developing its strategic plan. OEM has already developed a Strategic Planning Project Plan, met one-on-one with each OEM employee to gather feedback, established an internal team, set up recurring meetings to meet deliverables for the plan, and conducted a stakeholder survey to gather input on service levels and challenges. The OEM Strategic Plan is scheduled to be completed in June 2014.

2. Develop a plan to backfill emergency duties and positions, as well as regular staff duties, during an ECC activation and long term recovery.

OEM has a plan to ensure delivery of emergency coordination services and activities during an ECC activation and associated long term recovery. The division's Continuity of Operations Plan (COOP) identifies essential functions and critical services necessary to meet the response and recovery needs of the State of Oregon. During a disaster, activities that are not deemed essential during an emergency will be deferred until capabilities are re-established and the division returns to normal operations. During a large scale incident, the four-state FEMA Region that includes Oregon (FEMA Region X) would also be involved in response and recovery efforts and many ongoing monitoring and mitigation functions would be deferred to accommodate more urgent needs related to the disaster.

3. Systematically evaluate training needs and develop a training plan to ensure staff receives professional development training, and management team members also receive management or supervisory training.

OEM has developed and is implementing a human resources based training plan to ensure staff receive ongoing training focused on creating and sustaining a welcoming environment, teambuilding and employee relations, effective communications, and work place expectations. On January 27, 2014, OEM managers participated in a manager training session focused on performance management and evaluations, and implementing workplace expectations. All OEM employees have a scheduled training on February 7, 2014, on how to create and sustain a welcoming workplace. OEM is also working with Portland State University's Center for Executive and Professional Education to develop and deliver a teambuilding and communication workshop for all employees in March 2014, as well as ongoing training for managers to effectively implement organizational change throughout 2014.

4. Develop or approve policies for key areas such as workplace behavior expectations, communication, training and professional development.

OEM team members are both State employees as well as employees of the Oregon Military Department. As such, OEM adheres to the Department of Administrative Services (DAS) Statewide Policies and Guidelines, DAS Human Resources Management Rules and Policies, and OMD State Personnel Policies. In addition, OEM

currently has 26 policy letters, several addressing workplace behavior expectations such as maintaining a professional and harassment free workplace. Upon completion of its Strategic Plan, OEM will expand its documentation of workplace expectations. In addition, OEM is currently developing an overarching professional training plan for the division to be completed by July 2014, and career development plans will be tied to all 2014 performance evaluations for each team member.

5. *Document key work processes including grant administration, reimbursement processes, hazard mitigation, training and exercise development.*

OEM has and will continue assessing existing processes, to include process improvements to address reimbursement, travel protocols, leave requests and the use of timesheets. OEM has documented several processes to ensure team members have a clear understanding of general daily operations, such as: posting information on the internet, managing calendars, monitoring and reporting processes, Executive Duty Officer / Staff Duty Officer protocols, procurement and contracting processes, and the specific functions of grant administration.

6. *Develop ways to improve communication including evaluating and refining existing communication methods such as team meetings, all staff meetings, and one-on-one communication.*

Internal communications is critical during organizational change. OEM is implementing an internal communication plan so team members are well informed on new initiatives and organizational decisions, and have the ability to ask questions and receive feedback. OEM has implemented a monthly brief for employees and stakeholders to keep interested parties informed of timely projects and efforts of OEM team members. An entire page is also dedicated to OEM employees and division accomplishments within the Oregon National Guards' quarterly publication *Oregon Sentinel*. Whenever possible, management consults with team members to collect feedback, or participates on teams to solve problems and address areas of concern. OEM plans to evaluate the effectiveness of its weekly team meetings and all staff meetings to continually improve its communication processes.

7. *Systematically evaluate staff work and align staff work priorities with strategic objectives.*

OEM implemented the use of work plans in November 2013 to align team members work priorities with strategic objectives and to help manage workloads. OEM will continue using its overarching work plan for significant projects and detailed work plans for each section to track milestones and accomplishments.

8. *Ensure accountability with regular updating of position descriptions and timely performance evaluations.*

OEM is currently in the process of updating position descriptions for each OEM team member and all performance evaluations will be complete by March 31, 2014.

9. *Develop a system to collect and analyze suggestions for operation and process improvements.*

All OEM employees are encouraged to submit suggestions for operational and process improvements. The current OEM management team has implemented regular one-on-one meetings between managers and team members as an opportunity to establish a regular feedback mechanism to collect ideas and suggestions, improve internal communications, and help manage workloads and priorities.

10. *Work with OMD to 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.*


OEM is already in the process of establishing more interactive approaches to collect useful and specific information from stakeholders about OEM's services. In January 2014, OEM sent out a survey to many of its stakeholders to gather feedback about its current strategic planning efforts. The feedback has been very helpful identifying which services stakeholders find valuable or need to be added or expanded, and provided insights to stakeholder expectations for response, customer service, resources, and requests for subject matter expertise and assistance. OEM will implement an employee survey in September 2014 and then annually moving forward.

11. *Develop both division-wide and section performance measures that are regularly evaluated and used to improve operations.*

OEM uses legislatively approved key performance measures to address the following areas: accuracy, availability, expertise, helpfulness, timeliness and overall customer satisfaction. To ensure the feedback we receive is valuable, we request that customers rate programs including preparedness, mitigation, planning, recovery, response, the 9-1-1 program, and search and rescue. OEM collects these measurements via an annual customer service survey.

In summary, although this audit took place during a period of substantial transition and organizational change, the new OEM leadership team finds the recommendations suggested in the report to be sound. Many of the recommendations have already begun or are planned to be developed, and all will be implemented by December 2014.

Very Respectfully,


Daniel R. Hokanson
Major General
The Adjutant General

About the Secretary of State Audits Division

The Oregon Constitution provides that the Secretary of State shall be, by virtue of her office, Auditor of Public Accounts. The Audits Division exists to carry out this duty. The division reports to the elected Secretary of State and is independent of the Executive, Legislative, and Judicial branches of Oregon government. The division audits all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

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This report, a public record, is intended to promote the best possible management of public resources. Copies may be obtained from:

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The courtesies and cooperation extended by officials and employees of the Oregon Military Department and the Office of Emergency Management during the course of this audit were commendable and sincerely appreciated.