

**Performance Audit Report
Management Response**

July 28, 2016

Council on Firefighter Training



Council on Firefighter Training

Chris Neal
Interim Executive Director

Mary Fallin
Governor

Richard Kelly - Chairman
Professional Fire Fighters of Oklahoma

Jack Ellington - Vice Chairman
Emergency Medical Services Division -
Oklahoma State Department of Health

Mike Karlin - Council Member
Oklahoma Fire Chiefs Association

Mike Bower - Council Member
Oklahoma Office of Homeland Security

Matt Lay - Council Member
Oklahoma State Firefighters Association

Bobby Johnson - Council Member
Rural Fire Coordinators

James Suddath - Council Member
State Fire Marshal Commission

Erick Reynolds - Ex-officio
Oklahoma State University - FST

Craig Hannan - Ex-officio
International Fire Service Training Association -
Fire Protection Publications

Justin Smedley - Ex-officio
Oklahoma Department
of Career Technology

July 28, 2016

Hon. Mary Fallin, Governor
State of Oklahoma
Oklahoma State Capitol
2300 N. Lincoln Blvd., Room 212
Oklahoma City, OK 73105

Governor Fallin:

On October 26th of last year, you called for an operational and performance audit of the Council on Firefighter Training (COFT). On July 17th of this year, the State Auditor & Inspector released the Performance Audit Report of the COFT for the period July 1, 2012 through June 30, 2015. The Council has met and reviewed the report in detail, and offers this Management Reponse for your review. In it you will find where we have addressed each issue in detail, and an overall plan for improvement. We regret that we were not given the opportunity for a management response as a part of the audit process before the release of the final audit report, as many of the inconsistencies and factual errors in the report could have been addressed, consequently better assuring the overall accuracy and validity of the report. It is our hope that once you have had a chance to review our response, you will have a better understanding of COFT and our plans going forward.

We stand committed to working diligently with you and legislative leaders in a positive way to best ensure that the COFT legislative mandates are met in the most efficient and effective manner possible, and consequently that all Oklahoma firefighters have access to and receive the best training possible to make them more proficient and safer in their service to their communities. Towards those ends we look forward to meeting with you and your staff once you have had chance to review the audit report and our response in detail.

Sincerely,

Christopher Neal, Interim Executive Director
Council on Firefighter Training

OBJECTIVE I: Determine whether current COFT operations are effective.

74 O.S. § 325.1(G), Oklahoma Council on Firefighter Training

1. Identifying firefighter training needs and setting the firefighter training goals for the State of Oklahoma

Findings: agree in part; disagree

Comments:

- 1) **Travel costs: agree in part.** While the intent of the travel listed was indeed to meet this particular mandate, it is agreed that in this particular focus that the effort can be more targeted and efficient, and better communication throughout the service and state system can serve to clarify the need and intent of specific travel (including measurable outcomes – i.e. cost/benefit). Similarly, a more complete analysis in the audit process (to include a management response) would have most likely resulted in a more accurate picture of these expenditures. For example, it should be noted (and should have been presented) that travel was not limited to only meeting this mandate. A substantial portion of travel was dedicated to the third mandate, *Administering and maintaining the incentive and recognition programs established for Oklahoma firefighters* through attending academy graduations, annual recognition events, regional meetings, and regional training events. While difficult to quantify, these face-to-face, on-site efforts have proven extremely popular and motivational to (primarily) volunteers, directly and effectively (and most certainly efficiently) providing incentive for firefighters to be involved in and advance in their training. Finally, conference attendance by staff served to encourage participation in the Tax Incentive program through educational “how-to” presentations and actual hands-on support for individual firefighters in completing the forms on site. Again, a more complete analysis would have in turn provided a more complete and accurate picture of the facts.

- 2) **Five levels: disagree** – The *Five Levels* programs are professional development programs inclusive of various levels of training, of which certification programs provided by OSU-FST play an important part. These certifications based on ANSI-based national standards (NFPA) is a critical component, but not an end-all, particularly for volunteer firefighters. The impetus for the initial development of the *Five Levels* programs was driven in part by the inability of certification-based programs to meet the needs of (primarily) volunteer firefighters. The two entities and programs are complementary, not duplicative. Currently OSU-FST enjoys the unique privilege of not only being one of many training providers (e.g. career Tech, higher ed, area consortiums, local departments, etc.), but uniquely the only certification agency in the state over all other training providers. What this presents is a clear conflict of interest. To merge the professional development programs of COFT with the training programs and certification status enjoyed by OSU-FST would to be in effect create an even greater conflict of interest, and potentially a bureaucratic monolith operating behind the firewall of State Regents and therefore outside of accountability to the legislature. The declaration of OSU-FST or any other organization as “potentially better qualified” is subjective at best, particularly considering the broad and extensive network of highly trained, educated, and experienced professionals across the state who volunteer their time and expertise to COFT (e.g. training task force). Any merging or consolidation must take into account any potential (or greater existing) conflict of interest that would pose a threat to programs and mission of COFT as established through and under the legislative mandates in **74 O.S. § 325.1(G)**

Recommended action:

- 1) Review all travel policies to ensure that travel is a) directly related to and necessary to support programs tied to the legislative mandates, b) the most efficient manner to ensure the most effective service delivery, and c) consistent with State of Oklahoma travel rules, policies, procedures, and directives. Accurately document all travel (including legislative mandate addressed and measurable impact), and ensure that this is open and made available to decision makers and stakeholders.
- 2) Clarify and effectively communicate roles and responsibilities of the various training related entities (including training providers) in Oklahoma; work closely with each to ensure that the end result is Oklahoma firefighters who are safer and better at what they do; research and review certification courses and processes, non-certification courses, accreditation, and higher education and prepare a report that outlines the best combination and responsibilities to ensure that COFT's legislative mandates (including investigating training needs and advising the Governor, Speaker Pro Tempore, and Speaker of the House) are met.

Time line and assignment: by October 31, 2016; Executive Director

2. Interacting with the Homeland Security Department's Preparedness and Awareness Division on firefighter training and grants

Findings: agree in part

Comments: The Board member representing Oklahoma Office of Homeland Security (currently Mike Bower) is responsible to represent the organization on the Council, and report to them on COFT activity and direction. It is the Executive Director's role to work directly with the Preparedness and Awareness Division on firefighter training and grants.

Recommended action: Establish performance review criteria and regular process to ensure the Executive Director is adequately addressing this and all legislative mandates in an efficient and effective manner

Time line and assignment: by October 31, 2016; Council Chair with advice from the Council and Executive Director

3. Administering and maintaining the incentive and recognition programs established for Oklahoma firefighters

Findings: agree in part

Comments: The audit (again) does not offer a complete picture. For example, the audit notes that .3% of total expenditures were spent on incentive and recognition. That is an incomplete picture that (as noted earlier) does not take into account costs associated with non-tangible incentives and recognitions such as attendance and speaking at graduations, annual recognition events, remembrance ceremonies, etc. Similarly, the audit questions the cost of travel associated with encouraging and assisting with the tax incentive program, but with the only supporting caveat being that of "an independent observer." Further research would have shown that the numbers of those volunteers (firefighters) who participate increase substantially with in-person support (such as conferences), and yet to date there is still a large proportion (greater than 50%) of volunteers who do not participate, thus a potential for continued growth. As such, the report notes accurately that efforts to date

with recognition programs “may not be completely developed.” We agree in principle. The same can be said for incentive programs as well. As the organization has grown and matured, this area can be developed further as well building on the success of earlier efforts.

Recommended action: Research (including a broad evaluative effort including surveys, focus groups, best practice, etc. – all using accepted methodology) to determine those programs, efforts, initiatives (including the Volunteer Firefighter Tax Incentive) that will (a) provide incentive to support professional development through training, (b) assist in recruitment and retention of volunteer firefighters, and (c) provide formal recognition for those individuals and organizations that demonstrate excellence in the profession.

Time line and assignment: by November 30, 2016; Executive Director

4. Ensuring that the state has consistent basic and continuing education programs that include steps for all ranks or positions of career and volunteer firefighters, by setting minimum standards for career, recommended levels for volunteer, identifying training programs and courses required for fire service members to achieve those levels

Findings: disagree

Comments: this finding is puzzling and in fact wholly inaccurate. The *Five Levels* programs are exactly in line with this mandate – “a professional development plan for all Oklahoma Firefighters.” Both the Firefighter and the Officer programs were developed with extensive input and design by grassroots firefighters from all areas of the Oklahoma Fire Service who volunteered their time and expertise. The programs clearly outline the courses (including but not limited to professional certification courses) needed for each step, utilize (rather than duplicate) existing training programs and training providers, offer local departments the flexibility of electives and alternative equivalent courses, and allow the authority having jurisdiction (Fire Chief) to make the decision on what levels and courses best meet the needs of the department and community.

Recommended action: Ensure regular review by the Training Task Force, and resulting program update and improvement; better communicate (including to elected and appointed officials outside of the fire service) the specifics of the program

Time line and assignment: TTF review and report by November 30, 2016; Executive Director

68 O.S. § 2358.7, Volunteer Firefighter Tax Credit

1. Approve training required for tax credit eligibility

Findings: disagree

Comments: by virtue of the statutory obligations and responsibilities assigned to OSU-FST in 70 OK Stat § 70-3401.2 (2014), COFT is obligated to turn to OSU-FST as the repository of fire service related training records in the state. This report’s recommendation in effect and fact highlights the structural conflict of interest that exists within OSU-FST as not only the certification agent for all training providers, but the gatekeeper for all training records as well. The statement “an approval process that OSU-FST could perform more efficiently” is subjective at best and without substantiation. During the past tax season, COFT was able to turn around all tax credit eligibility forms within one day, often the same day.

**COFT Performance Audit
Management Response**

Recommended action: Continue to work closely with OSU-FST to access training records in the most efficient and effective manner, utilizing technology to improve service in the most cost-effective manner possible. Executive Director meet with OSU-FST leadership and staff to identify improvement opportunities.

Time line and assignment: by October 31, 2016; Executive Director

2. Prescribe, in conjunction with the State Fire Marshal, a reporting form for use by volunteer fired departments and volunteer firefighters in order to provide required certifications

Findings: agree

3. Upon request, provide copies of reporting forms documenting training history to the Oklahoma Tax Commission to verify tax credit eligibility

Findings: disagree

Comments: see #1 above

Recommended action: Continue to work closely with OSU-FST to access training records in the most efficient and effective manner, utilizing technology to improve service in the most cost-effective manner possible. Executive Director meet with OSU-FST and OTC leadership and staff to identify improvement opportunities.

Time line and assignment: by October 31, 2016; Executive Director

“Mission Creep”

Findings: agree in part

Comments: It is true that most ancillary activities such as cancer awareness, health & safety, incident support, and related hazards (e.g. pipeline) are critical (or as the report noted “beneficial”), and it can be argued that such activities do indirectly support the legislative mandates and mission of COFT when funds are available and primary programs related to meeting the legislative mandates are met in full. Most often these areas either are not being addressed elsewhere by other organizations, or the participation of COFT in joint partnerships bring strength and more impact to the effort. When approved and directed by the Council, partnering in these efforts (such as Integris Heart Hospital, and the Oklahoma Pipeline Awareness Liaison) is indeed the most “efficient and effective” (auditor’s descriptive measures) approach to providing these services, and in meeting the spirit of the legislative directives. A good example is the Healthy Heart program where COFT partnered with Integris Heart Hospital in a program design and delivery that resulted in documented firefighter lives saved. This is not only immeasurable in regards to the impact on firefighters, their families, and communities, but also results in a tangible and measurable impact on risk management and community economic impact costs. The impact of the program was recognized when COFT and Integris received the prestigious Senator Paul S. Sarbanes Fire Service Safety Leadership Award awarded by the National Fallen Firefighters Foundation and the Congressional Fire Services Institute recognizing organizations for their contribution to firefighter health and safety.

Recommended action: Identify those programs (active and proposed) that are ancillary (not primary) in nature, but meet a need in the Oklahoma fire service indirectly related to and supportive of the primary legislative mandates. Establish priorities, costs, benefits, and potential partners for implementation if/when/as deemed appropriate by the Council.

Time line and assignment: by November 30, 2016; Executive Director

“(auditor’s) Conclusion”

Findings: agree in part

Comments: We do not agree with the blanket statement that COFT “is not effectively meeting the statutory requirements discussed under this objective.” We do agree there are several areas for improvement. The Council commits to identifying those areas and to develop a workable and efficient work plan to best meet those needs. Similarly, the Council is open to identifying the best opportunities and approach for consolidation. However, a blanket and unsubstantiated consolidation with any organization just for the sake of “decreasing costs” without considering the potential threat to the programs and mission of COFT as established through and under the legislative mandates in **74 O.S. § 325.1(G)** is unacceptable. We see the audit’s blanket, unsubstantiated, and consistent advocacy of OSU Fire Service Training as the organization for consolidation as just such a threat (not to mention a substantial, negative impact on OSU-FST to in turn effectively carry out their mission to the Oklahoma fire service as well). We commit to researching and evaluating available options with the goal of “best fit” to meet the needs and ensure the missions of both organizations in any potential consolidation.

OBJECTIVE II: Determine whether expenditures were reasonable, consistent with the entity’s responsibilities as defined by 74 O.S. §325.1(G), and comply with other state statutes and regulations as appropriate.

Travel and Vehicle Expenses

Findings: agree in part

Comments: most of these examples fall into the category as ancillary as outlined above. As such, these should be approached in that light with careful analysis as to the direct benefit they bring to meeting the legislative mandates.

Recommended action: As with ancillary programs covered above, identify those programs (active and proposed) that are ancillary (not primary) in nature, but meet a need in the Oklahoma fire service indirectly related to and supportive of the primary legislative mandates (e.g. efficiency of ID’ing and modifying/adopting best practice *vs.* program development). Establish priorities, costs, and benefits for implementation if/when/as deemed appropriate by the Council.

Time line and assignment: by November 30, 2016; Executive Director

Oklahoma Pipeline Awareness Liaison (OPAL) Expenses

Findings: agree in part

Comments: Unfortunately, it appears again the lack of due diligence was reflected in an incomplete statement of “facts.” For example, there were purchases and services provided that the audit deemed inconsistent with COFT statutory responsibilities. Yet the audit failed to note that these all were met with OPAL provided funds in accordance with the contract for service (and one for which legal council had reviewed and approved); all were used in direct service delivery as provided for in accordance with the provisions of the contract; all were approved by the Council and made available for public review; all passed the scrutiny of a financial audit (ironically by the same firm that audits the State Auditor’s Office); and in the end together resulted in an additional \$15K plus in revenue to COFT.

These are examples of programs pursued with best intentions to both provide additional revenue while simultaneously furthering the COFT Mission, but that in practice do not *directly* meet the legislative mandates. However, there are benefits to firefighters’ proficiency and safety, and as such COFT – while partnering directly with the pipeline industry in the past – can still effectively meet our mission in the future by playing a connector role (see below).

Recommended action: The OPAL program has been discontinued; in the future work as a connector with OPAL and other similar groups who approach COFT for assistance, to help them “connect” to the most appropriate agency or organization.

Time line and assignment: complete; Executive Director

Training Support

Findings: agree in part; disagree in principle

Comments: subsidizing existing programs with COFT resources does not directly meet COFT’s legislative mandates or mission; however, supporting training programs that indeed are a part of the COFT professional development programs, and organizations and their activities that deliver that training is indirectly related to the COFT legislative mandates and mission (and when justified, an efficient approach to meeting those mandates and mission). As such, these should be approached in that light with careful analysis as to the direct benefit they bring to meeting the legislative mandates. As with ancillary programs covered earlier, identify those programs and organizations that are ancillary (not primary) in nature, but meet a need in the Oklahoma fire service and supportive of the primary legislative mandates, and that may be addressed more efficiently through support (subsidize) rather than direct offer/hosting.

Recommended action: Evaluate all support opportunities (i.e. “subsidies”) in the light of programmatic strategic priorities and cost-benefit vs. direct hosting, and in the light of best impact for money in meeting legislative mandates and mission; work with the Oklahoma fire service to identify funding (e.g. grants) sources and opportunities for training

Time line and assignment: immediately; Executive Director

Food and Clothing Purchases

Findings: agree in part

Comments: as with other ancillary opportunities (e.g. training support), food and clothing do not directly meet COFT's legislative mandates or mission; however, both offer a small incentive and support for those who volunteer many hours of their expertise (e.g. training task force, and COFT Council) and/or those who volunteer their time for personal professional development (e.g. volunteer fire department training officers). With this, the Council understands the necessity of due diligence in evaluating the actual benefit in light of direct impact (legislative mandates and mission) and ongoing financial challenges.

Recommended action: Evaluate all such purchase in the light of measurable impact for such purchases in meeting legislative mandates and mission; work with the Oklahoma fire service to identify funding (e.g. sponsorships) as sources and cost-share opportunities

Time line and assignment: immediately; Executive Director

Office Lease

Findings: agree in principle

Comments: determine location that meets funding limitations (priority) and location that meets the "prudent person" criteria outlined in the report.

Recommended action: Move to the space (short term) offered in good faith and support by OSFA. Begin study to evaluate location options that meet the "prudent person" criteria for the timeline commensurate with the museum renovation (app July 2017) and further funding by the legislature (supplemental February 2017; annual July 2017).

Time line and assignment: immediately to OSFA (Short term) - complete; evaluation of long-term options (by March 31, 2017); Executive Director

"(auditor's) Conclusion"

Findings: agree in part

Comments: it is quite a stretch from "questionable" to "abuse", yet the audit consistently appears to present COFT expenditures as the latter based on subjective evaluation and a partial presentation of "facts" to justify the former. And it is a thin line. We agree that expenditures can be better focused, prioritized, and justified, and it is to those ends we will ground and focus future programs and expenditures; however, to paint a picture of "abuse" by setting a tone with descriptors like "grossly inadequate" and "errors or fraud may occur and not be detected" and "compliance with policies and procedures may occur" is inaccurate and most certainly unnecessary, and in the end questionable as to the commitment underlying the audit to "reasonableness" and "maintaining independence."

OBJECTIVE III: Determine whether internal controls provided reasonable assurance that confidential information related to the Volunteer Firefighter Tax Credit, authorized by 68 O.S. §2358.7, is adequately safeguarded.

“(auditor’s) Conclusion”

Findings: agree

Comments: every effort will be made to continually update and improve methods to safeguard information and be in compliance with applicable law and state policies/procedures.

Time line and assignment: continuous; Executive Director

OBJECTIVE IV: Determine the sufficiency and need for an independent annual audit.

“(auditor’s) Conclusion”

Findings: disagree in principle; agree in part (practice)

Comments: the Council years ago determined that an independent annual financial audit was an appropriate and good practice in ensuring financial openness and integrity. This is the same practice (and by the same firm) utilized by and within the Oklahoma State Auditor & Inspector’s Office, and based on the expertise of that office one could confidently surmise that what the State Auditor finds and applies as a good practice for his own agency would be recognized as the same for another service of state government. Yet the audit notes that the practice is not beneficial and indeed is “not sufficient to support decision making.”

In order to continue what the Council (and State Auditor) sees as good practice, and yet meet the recommendations of the audit for a procedure that evaluates the “effectiveness of the entity’s internal control”, the Council will call for a comprehensive audit each year to include not only a financial statement audit, but also to include a compliance audit to address the concerns outlined in the performance audit.

Time line and assignment: continue on an annual basis to include a compliance as well as financial audit; Executive Director

COFT Management: Conclusion

It is difficult on first glance not to become disillusioned with the overall report. There are clear examples of inaccuracies in the findings and questionable recommendations. These errors of commission serve to paint an *inaccurate* picture of the organization as a whole. Similarly, errors of omission serve to paint an *incomplete* picture of the organization. For example, COFT has consistently each year met the legislative mandate to file an annual report with the Governor, Senate Pro Tempore and Speaker of the House with a comprehensive overview and details of activities. Yet there is no referral in the report to this practice as effectively meeting one of the specific legislative mandates, nor questions/concerns by state leadership as to COFT activities. Similarly, in an attempt to be open and accountable, COFT posts every transaction for anyone in the public to see, and each year sanctions and pays for an annual financial audit that it is not required to carry out (and one for which each year it has received a clean report), yet the auditor considers this a negative as “that audit is not required by statute and does not provide the level of assurance that detailed program expenditure monitoring should.” (Interestingly, this is the same audit by the same firm that the State Auditor’s own agency carries out each year). We agree with the auditor’s findings – the annual financial audit is indeed not required by statute; however, we see that as a positive, not a negative. As to not providing “the level of assurance that detailed program expenditure monitoring should,” we have responded by adopting a practice of employing an annual compliance audit in addition to the annual financial audit, and we most certainly stand ready to work with the State Auditor to further identify and adopt additional practice(s) that would further meet these criteria. Finally, constant referrals to Oklahoma State University Division of Fire Service Training (OSU-FST) as the only recommended “established component of state government” in regard to consolidation (with the inferred supposition of best practice in efficiency and effectiveness) seems to call into question the Auditor’s commitment to “Maintaining our independence as we provide this service to the taxpayers of Oklahoma ...” The Council enjoys a strong, positive relationship with OSU-FST (as with other training providers) in meeting the training needs of Oklahoma firefighters. While we commit to continuing to improve this partnership along with a rational and legitimate evaluation of consolidation options, we equally stand firmly against calls for actions that in the end negatively impact firefighter competence and safety.

These are examples from within the audit report that indicate to the Council that there was an overall lack of due diligence by the State Auditor’s Office, with findings/recommendations that appear in part more advocacy than best practice that in turn cause question as to the validity of the whole. But on closer analysis, there are indeed accurate findings and analyses, and valid recommendations, so much so that we would be highly remiss to discount the whole for the lack of a part. For many of these we offer responses as “agree” and “agree in principle,” areas where we could certainly improve. And even in those areas of “disagree,” much can be addressed in the future as we as COFT focus on better communicating the specifics about our work and organization.

Overall, we as an organization (Council and staff) can and will improve in areas of oversight and accountability. That said, it is more of what we do now to not only improve in these particular areas, but continue to improve in all areas and policies/programs of oversight and reporting, best practice, strategic planning, communicating, accountability, etc. The Council commits to due diligence in those efforts, including continuing the truly effective and efficient work that we do in programmatic areas to meet our legislative mandates, while working to identify and implement quality improvement in the ones in which we have identified opportunities to improve. For example, consolidation to facilitate efficiencies, shared-resources and expertise, and improve accountability all with a goal of improving firefighter proficiency and safety is a noble approach and one for which we support. But where efforts exist in considering consolidation that in effect would eliminate the mission underlying COFT by in deed eliminating the organization itself (e.g. SB 1592), or

***COFT Performance Audit
Management Response***

consolidating with another organization that would in effect bureaucratize the mission underlying COFT and in the end limit accountability, then we are obligated to raise that issue in truth and good faith & intent with the Governor and Legislative leaders, and the fire service as a whole. As such, we stand prepared to offer solutions that are sound in practice (focused on legislative direction, targeted, best practice, effective), cost efficient (cost-benefit, quantifiably and accurately justified, risk-management and prevention focused), and open (accountability, communication, inclusive).

The Council offers that we are in a good position to build back a better organization – one that keeps the good, and improves on those areas that both the audit and we identify as needing improvement. In the end it is about the Oklahoma firefighter – does it make him/her better at what they do, and safer when they do it? For that we will keep our focus, are open and will communicate in regard to our planning and work, and will professionally be inclusive of all who have an interest in COFT's success in meeting its mission and legislative mandates.