

July 2022 Oregon Secretary of State’s Audits Division Report

The Oregon Employment Department (OED) was one of a number of Oregon state agencies and programs to be audited by the Secretary of State’s Oregon Audits Division in 2022 (see the Oregon Audits Division’s [2022-23 Audit Plan](#)). The report detailing the audit was published on July 27, 2022, on the Oregon Audits Division’s [website](#).

Background

The audit report is titled “The Pandemic’s Effects on Oregonians Exposed Risks and Highlighted the Need to Modernize Oregon’s Unemployment Insurance System.” The report reflects what was ultimately an unprecedented period of financial hardship and job losses for Oregonians—and a time of extraordinary effort, and dramatically increased workload, within OED as it implemented new legislative actions and unemployment insurance (UI) programs for Oregonians in dire need of financial support.

Auditors specifically focused on adjudication—the process of determining eligibility for UI benefit cases—and delays in this process. It’s important to know that OED is not the same organization it was prior to the pandemic, and we are now consistently meeting adjudication timeliness standards and outperforming most other states.

Recommendations

OED did not wait for the results of the audit to start making changes. The department has already made significant improvements in many areas the auditors evaluated. The status of each recommendation is listed below.

Recommendation	Status
1. Implement formal policies and procedures for oversight of adjudicated and suspended claims and data systems.	Complete – Effective July 15, 2022, formal policies and procedures were adopted, memorializing the steps adjudication managers and staff are expected to take, and UI managers have been using new oversight tools,

	as identified in our response, since 2021.
2. Incorporate specific types of controls and functionality in the modernized IT system.	Underway – The recommended controls and functionality are in scope for our new system, Frances Online. Additional information about the specific capabilities of the system are included within our response.
3. Explore whether other state workforce agencies use texting to communicate with claimants and consider offering texting as an option for claimants who prefer that contact method.	Underway – Frances Online will support the use of SMS texting. OED is exploring how to use texts with claimants in the meantime, while continuing to prevent fraud and protect claimants from identify theft.
4. Consolidate UI information into one website with detailed, updated guidance and resources for current and prospective claimants.	Underway – Work to review and consolidate the content on the unemployment websites is in progress and is scheduled to be completed in December 2022. While both websites will remain, the comprehensive information claimants need will be on the website that offers the greatest support for accessibility in multiple languages.
5. Establish a central repository for adjudicator guidance and assign a manager or lead worker to regularly update that guidance.	Underway – This project began in late 2020, using a shared drive for adjudicators, and this bridge solution is expected to be complete by June 2023. Frances Online will serve as the new repository starting in 2024.
6. Study the creation of an ombuds office to help claimants navigate the complexities of the UI system and address unresolved claim	Underway – We have already started researching this option, and once we have completed the research, we will analyze the information gathered and

<p>issues, in consultation with the Governor’s Office and other states.</p>	<p>put together options for a possible UI ombuds program in Oregon.</p>
<p>7. Continue gathering and analyzing OED data for inequities to identify and address the causes for any confirmed inequities.</p>	<p>Underway – Ensuring equity in access to our services is of paramount importance to us at OED. We have taken several steps already and applied for, and received, grants from the U.S. Department of Labor to continue this important work.</p>

OED appreciates the auditors’ commitment to objectivity and to understanding the context in which we operated during the audit period. The department is committed to building on the lessons learned during the pandemic and to continuously improving our services to the people of Oregon who rely on us.