



STATE OF FLORIDA

DIVISION OF EMERGENCY MANAGEMENT

RICK SCOTT
Governor

BRYAN W. KOON
Director

Office of Inspector General 2012-2013 Annual Report

I am pleased to submit our Annual Report on the activities of the Office of Inspector General for the fiscal year ended June 30, 2013, as required by Section 20.055(7), Florida Statutes. This report documents the activities completed by the Office of Inspector General during the fiscal year.

The Office of Inspector General is committed to professionalism and the promotion of accountability, integrity and efficiency. We look forward to working with you and our fellow Division of Emergency Management employees in meeting the challenges and opportunities that face the Division. Thank you for your continued support.

A handwritten signature in blue ink that reads "Ronnie Atkins".

Ronnie Atkins, Deputy Inspector General

Office of Inspector General

The Division of Emergency Management (Division) is responsible for administering numerous programs related to emergency preparedness, response, recovery and mitigation. Chapter 252, Florida Statutes, and Title 40, Parts 300, 355, 370 and 372, Code of Federal Regulations, address all aspects of emergency management for man-made and natural disasters. During the 2011 legislative session, Section 14.2016, Florida Statutes, established the Division of Emergency Management within the Executive Office of the Governor.

The Executive Office of the Governor and the Division entered into a memorandum of agreement whereby the Chief Inspector General designated a Deputy Inspector General to serve as Inspector General for the Division. Although the Division is not an agency pursuant to Section 20.055, but rather a Division of the Executive Office of the Governor, the Division's Office of Inspector General functionally operates and has been designated as an Office of Inspector General.

There are three positions within the Office of Inspector General:

- Deputy Inspector General;
- Auditor - Career Service; and
- Auditor - Other Personal Services.

MISSION

The mission of the Office of Inspector General is to provide the Division a central point for coordination of and responsibility for activities that promote accountability, integrity and efficiency in government. Section 20.055(2), Florida Statutes, outlines the following responsibilities of the Inspector General:

- Provide direction for, supervise and coordinate audits, investigations and management reviews related to the programs and operations of the Division;
- Review and evaluate internal controls to ensure fiscal accountability, efficiency and integrity of the Division's programs;
- Advise in the development of performance measures, standards and procedures for the evaluation of Division programs;
- Assess the reliability and validity of the information provided by the state agency on performance measures and standards, and make recommendations for improvement;
- Review actions taken by the Division to improve program performance;
- Conduct, supervise or coordinate other activities carried out or financed by the Division for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations;
- Keep the Division Director informed concerning fraud, abuses and deficiencies relating to programs and operations administered or financed by the Division,

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recommend corrective action concerning fraud, abuses, and deficiencies and report progress made in implementing corrective actions;

- Ensure effective coordination and cooperation between the Auditor General, federal auditors and other governmental bodies with a view toward avoiding duplication;
- Review, as appropriate, rules relating to programs and operations of the Division;
- Ensure that an appropriate balance is maintained between audit, investigation and other accountability activities.
- Comply with the General Principles and Standards for Offices of Inspector General published by the Association of Inspectors General.

PROFESSIONAL AFFILIATIONS

During the past fiscal year, Office of Inspector General staff members participated in a number of professional organizations to maintain proficiency in their areas of expertise and certification. Membership and participation in these professional organizations help staff establish and advance professional networks, participate in professional community activities and obtain continuing professional education.

The Office of Inspector General is affiliated with the following professional organizations:

- Institute of Internal Auditors (IIA)
- Association of Inspectors General (AIG)
- Association of Certified Fraud Examiners (ACFE)
- Institute of Management Accountants (IMA)

CERTIFICATIONS

Professional certifications represent significant time, effort and commitment to the audit profession, and reflect positively on the Office of Inspector General as well as the Division. Office of Inspector General staff members have attained the following professional certifications which demonstrate their professional competence and proficiency:

- Certified Public Accountant (CPA)
- Certified Internal Auditor (CIA)
- Certified Management Accountant (CMA)
- Certified Government Auditing Professional (CGAP)
- Certified Fraud Examiners (CFE)
- Certified Public Manager (CPM)

PROFESSIONAL TRAINING

During the past fiscal year, Office of Inspector General staff members attended training sessions and workshops provided by the Institute of Internal Auditors, Association of Inspectors General, Association of Government Accountants and state agencies. These sessions included current audit and investigation issues, ethics, fraud detection, IT security,

contract management and monitoring, and investigative techniques. An on-line continuing education service provider was also used for staff training.

Audit Engagements

Florida Department of Financial Services State Homeland Security Grant Subgrant Agreement 09-DS-51-13-00-16-409 (12-C308)

The purpose of this audit was to evaluate the State Fire Marshall's administration of subgrant agreement number 09-DS-51-13-00-16-409 in order to detect any inherent weaknesses or deficiencies that might result in a lack of compliance with the terms and conditions of subgrant agreement.

The amount of state funds awarded to the State Fire Marshall for the period audited was \$6,360,224. The purpose of the award was to provide the State Fire Marshall with resources to address the planning, organization, equipment, training and exercise needs at the state and local levels to prevent, protect against, respond to and recover from acts of terrorism and other catastrophic events.

Our findings were:

- Required quarterly reports were not submitted timely; and
- Two expenditures were not supported by documentation submitted by the subgrantee.

Generally, the State Fire Marshall appeared to meet the goals of the program and concurred with our recommendations to strengthen controls over reporting and documentation.

Florida Department of Health State Homeland Security Grant Subgrant Agreement 10-DS-51-13-00-13-039 (12-C309)

The purpose of this audit was to evaluate Florida Department of Health's administration of subgrant agreement number 10-DS-51-13-00-13-039 in order to detect any inherent weaknesses or deficiencies that might result in a lack of compliance with the terms and conditions of the subgrant agreement.

The amount of state funds awarded to the Florida Department of Health for the period audited was \$1,282,929. The purpose of the award was to provide the Florida Department of Health with resources to address the identified planning, organization, equipment,

training and exercise needs at the state and local levels to prevent, protect against, respond to and recover from acts of terrorism and other catastrophic events.

Our findings were:

- Required quarterly reports were not submitted timely;
- The subgrantee did not meet subgrant agreement benchmarks; and
- The subgrantee did not submit a debarment certification prior to engaging a subcontractor.

Generally, the Florida Department of Health appeared to meet the goals of the program and concurred with our recommendations to strengthen controls and follow the requirements of the program.

Florida Department of Law Enforcement State Homeland Security Grant Subgrant Agreement 09-DS-51-13-00-16-342 (12-C310)

The purpose of this audit was to evaluate the Florida Department of Law Enforcement's administration of subgrant agreement number 09-DS-51-13-00-16-342 in order to detect any inherent weaknesses or deficiencies that might result in a lack of compliance with the subgrant agreement's terms and conditions.

The amount of state funds awarded to the Florida Department of Law Enforcement for the period audited was \$15,639,552. The purpose of the award was to provide the Florida Department of Law Enforcement with resources to address the identified planning, organization, equipment, training, and exercise needs at the state and local levels to prevent, protect against, respond to, and recover from acts of terrorism and other catastrophic events.

Our finding was:

- Required quarterly reports were not submitted timely.

Generally, the Florida Department of Law Enforcement appears to meet the goals of the program and concurred with our recommendations to strengthen controls and be more diligent in following the requirements of the program.

**Miami-Dade County
State Homeland Security Grant
Subgrant Agreement 10-DS-39-11-23-01-317 (13 - C001)**

The purpose of this audit was to evaluate Miami-Dade County's compliance with the terms and conditions of the subgrant. We examined Miami-Dade County's management of the subgrant; including documentation to support reimbursement claims, compliance with reporting requirements and subcontractor procurement and monitoring.

The Federal Emergency Management Agency (FEMA) provides grant funding to State Homeland Security Programs to support implementation of state homeland security strategies. These strategies include planning, organization, equipment, training, and exercise needs at the state and local levels to prevent, protect against, respond to, and recover from acts of terrorism and other catastrophic events. As part of the State Homeland Security Program, the Division awarded Miami-Dade County \$170,750 through subgrant agreement number 10-DS-39-11-23-01-317 to perform eligible activities identified by the Office of Grants and Training, Fiscal Year 2009 Homeland Security Grant Program.

Based on our examination, Miami-Dade County generally complied with the terms and conditions of the subgrant.

**Miami-Dade County
Pre-Disaster Mitigation Grant
Subgrant Agreement 10-DM-52-11-23-2-230 (13 - C002)**

The purpose of this audit was to evaluate Miami-Dade County's compliance with the terms and conditions of the subgrant. We examined the Miami-Dade County's management of the subgrant; including documentation to support reimbursement claims, compliance with reporting requirements and subcontractor procurement and monitoring.

The Pre-Disaster Mitigation Grant Program provides grants to state, tribal, and local governments to implement long-term mitigation measures after a major disaster declaration. In Florida, these grants are managed by the Division's Bureau of Mitigation. The purpose of the Hazard Mitigation Grant Program is to reduce or eliminate the loss of life and property due to natural and man-made disasters and to enable mitigation measures to be implemented during the immediate recovery process from a disaster. As part of the Pre-Disaster Mitigation Grant Program, the Division awarded Miami-Dade County \$440,709.94 through the subgrant to structurally fortify the Miami-Dade County Communications Center by installing an approved roll down shutter system for all windows and doors.

Based on our examination, Miami-Dade County generally complied with the terms and conditions of the subgrant.

**Miami-Dade County
Hazard Mitigation Grant Program
Subgrant Agreement 09-HM-37-11-23-01-040 (13-C003)**

The purpose of this audit was to evaluate Miami-Dade County's compliance with the terms and conditions of the subgrant. We examined Miami-Dade County's management of the subgrant; including documentation to support reimbursement claims, compliance with reporting requirements and subcontractor procurement and monitoring.

The Hazard Mitigation Grant Program provides grants to state, tribal, and local governments to implement long-term mitigation measures after a major disaster declaration. In Florida, these grants are managed by the Division's Bureau of Mitigation. The purpose of the Hazard Mitigation Grant Program is to reduce or eliminate the loss of life and property due to natural and man-made disasters and to enable mitigation measures to be implemented during the immediate recovery process from a disaster. As part of the Hazard Mitigation Grant Program, the Division awarded Miami-Dade County \$1,403,241 through the subgrant to replace the glass canopy at the Vizcaya Museum.

Based on our examination, Miami-Dade County generally complied with the terms and conditions of the subgrant.

**Performance Measure Review (13-S006)
Long Range Program Plan**

Section 20.055, Florida Statutes, requires the Office of Inspector General to advise in the development of performance measures, standards and procedures for the evaluation of state agency programs. The Office of Inspector General is also required to assess the reliability and validity of the information provided on performance measures and standards, and make recommendations for improvement, if necessary, prior to submission of those measures and standards to the Executive Office of the Governor.

The Long Range Program Plan Performance Measures are reviewed in conjunction with the submission of the Division's annual Legislative Budget Request. During fiscal year 2012-2013, six of the Division's performance measures were reviewed to assess the data sources and methodology used to calculate the measures. The following table summarizes the results of this review.

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LONG RANGE PROGRAM PLAN PERFORMANCE MEASURE ASSESSMENT				
Measure Description	Responsible Bureau	Valid	Reliable	LRPP Standard
Percentage of inspections/audits conducted on all facilities subject to Clean Air Act section 112R	Preparedness	Yes	Yes	10%
Number of facilities inspected/audited	Preparedness	Yes	Yes	27
Percentage of shelter facilities surveyed	Response	Yes	Yes	10%
Number of buildings surveyed for hurricane evacuation shelter planning purposes	Response	Yes	Yes	200
Percentage of counties that annually update Form C	Response	Yes*	Yes*	80%
Percentage of Annual Residential Construction Mitigation Projects completed	Mitigation	No	Yes	100%

*This measure is valid and reliable to the extent that the process for annually surveying and compiling responses is consistently applied.

Prior Audit Findings Follow-up

Section 20.055, F.S., requires the identification of each significant recommendation described in previous annual reports on which corrective action has not been completed. We will continue to follow-up on these outstanding items below until all corrective actions have been completed. The following are reports with significant recommendations for which corrective actions have not been completed.

2013-161: Compliance and Internal Controls over Financial Reporting and Federal Awards

Issued by: Office of Auditor General on March 28, 2013

Recommendation – The Division should ensure that all key data elements are timely reported in the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System (FSRS).

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Status – The Division continues to work with the FSRS Helpdesk. The Division is also working with respective state agencies to obtain required sub-awardee data and has begun to enter key components into the FSRS and will continue to populate FSRS with grant data.

2012-142: Compliance and Internal Controls over Financial Reporting and Federal Awards

Issued by: Office of Auditor General on March 30, 2012

Recommendation – (Previously cited in Auditor General Report 2011-167 dated 03/29/2011.) The Division should continue its efforts to ensure that costs are allowable and reasonable. The Division should also recover the amount of the overpayment.

Status – The subgrantee submitted an appeal of the final deobligation, through the state, which was filed with FEMA. The appeal remains unadjudicated at this time. Division staff will continue to monitor the subgrantee's account, and sent a second invoice to the subgrantee on February 14, 2013. Additional invoices will be sent if payment is not received within established procedural timeframes and the matter will be referred to the Division's legal department for evaluation of collection/enforcement options.

2011-167: Compliance and Internal Controls over Financial Reporting and Federal Awards

Issued by: Office of Auditor General on March 29, 2011

Recommendation – (Previously cited in Auditor General Report 2010-165 dated 03/36/2010.) The Division should recover any amounts paid on completed projects in excess of the subgrantee's final eligible costs, together with any interest due, and restore the amounts recovered to the Program and appropriate State matching fund sources. The Division should also ensure that interest earned on advances is restored to the Program. As additional projects are approved by FEMA, the Division should, as soon as practicable, allocate the necessary resources to facilitate the completion of the reconciliation and final payments and refunds.

Status – The Division concurred with this finding, which has been partially corrected as all final inspection versions of the relevant Project Worksheets have been submitted to FEMA for review, approval and obligation. At this time, the Division continues to work with FEMA to achieve final obligation of all of the relevant Project Worksheets.

Agency for Enterprise Information Technology Security Risk Assessment Follow-up (13-S007)

The Agency for Enterprise Information Technology's (AEIT) 2011 Florida Enterprise Information Security Risk Assessment Survey was conducted to satisfy Section 282.318, Florida Statutes, which required AEIT to conduct a comprehensive risk analysis. It was designed to identify gaps between state agencies' information technology policies and AEIT requirements.

On May 14, 2012, the Division completed the 2011 Florida Enterprise Information Security Risk Assessment Survey and reported the status of its implementation of each of the 50 security measures included in the survey.

Although the AEIT no longer exists, the security measures covered by the 2011 AEIT survey represent best practices for management of threats to the data, information and information technology resources of the Division. This follow-up review was conducted to determine the Division's status for each of the 50 security measures included in the 2011 AEIT survey.

The Division has made progress implementing the security measures; however, significant work remains to be completed. Development and/or documentation of procedures and policies represent the most common tasks necessary for completion of survey items that have not been fully implemented.

AEIT Finding Implementation Status		
Description	Number of Items	Percentage
Not Started	1	2%
Planning Stages	5	10%
Partially Implemented	15	30%
Close to Completion	20	40%
Fully Implemented	9	18%
Totals	50	100%

Single Audit

Section 215.97, Florida Statutes, and Office of Management and Budget Circular A-133 require non-state entities that expend \$500,000 or more of state financial assistance in any fiscal year to have a state single audit or a project-specific audit.

The Division is required by Section 215.97, Florida Statutes, and Office of Management and Budget Circular A-133 to review subgrantee financial reporting packages (Single Audit

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reports) to the extent necessary to determine whether timely and appropriate corrective action has been taken with respect to audit findings and recommendations pertaining to state financial assistance received from the Division. The Office of Inspector General is the Division's organizational unit responsible for receiving and reviewing Single Audit reports.

During 2012-2013, we received and processed 269 Single Audit reports.

Investigations and Inquiries

The following are case summaries for Investigations and Inquiries closed during fiscal year 2012-2013:

Case 12-I401

An accusation was made that a contractor failed to pay its subcontractor. The Division had no authority to intervene on behalf of the subcontractor and the case was closed.

Case 13-I001

An accusation was made that a Division contractor had received preferential treatment during the procurement process and had made significant billing errors. The allegations were disproved.

Case 13-I002

An accusation was made that a water management district had committed fraud. The case was reviewed and referred to another agency.

Case 13-I003

An accusation was made that an individual had fraudulently used federal funds. The complainant filed with federal agencies and the Division was copied on the complaint letter. No action was required by the Division.

Case 13-I004

An accusation was made that reimbursement for travel expenses was owed to an individual who had applied for a position with the Division. The allegation was disproved.

Annual Reporting Requirement

The Inspector General Act of 1994 requires an annual summarization of activities and accomplishments of each Inspector General's Office. This report is a tool to provide Division staff and other interested parties information on how the Office of Inspector General accomplishes its mission and objectives.

Section 20.055, Florida Statutes, requires each Inspector General to prepare and submit an annual report, no later than September 30 of each year, summarizing the activities of the office during the immediately preceding state fiscal year. The report shall be furnished to the agency head and shall include, but need not be limited to:

1. A description of significant abuses and deficiencies relating to the administration of programs and operations of the agency disclosed by investigations, audits, reviews or other activities during the reporting period.
2. A description of the recommendations for corrective action made by the Inspector General during the reporting period with respect to significant problems, abuses or deficiencies identified.
3. A summary of each audit and investigation completed during the reporting period.
4. The identification of each significant recommendation described in previous annual reports on which corrective action has not been completed.
5. A description of activities relating to the development, assessment and validation of performance measures.

Conclusion

The Office of Inspector General is committed to professionalism and the promotion of accountability, integrity and efficiency. We are pleased to provide this report on the accomplishments of the Division's Office of Inspector General for fiscal year 2012-2013.



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