

**DEPARTMENT OF HOMELAND SECURITY**  
**Office of Inspector General**

**The State of Utah's Management of State  
Homeland Security Grants Awarded During  
Fiscal Years 2004 through 2006**





Homeland  
Security

August 14, 2008

Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the Homeland Security Act of 2002 (*Public Law 107-296*) by amendment to the Inspector General Act of 1978. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the department.

The attached report presents the results of the audit of the State of Utah's Management of State Homeland Security Grants awarded during Fiscal Years 2004 through 2006. We contracted with the independent public accounting firm Williams, Adley & Company to perform the audit. The contract required that Williams, Adley & Company perform its audit according to generally accepted government auditing standards. Williams, Adley & Company's report identifies two reportable conditions where State management of the grant funds could be improved, resulting in two recommendations addressed to the Administrator, Federal Emergency Management Agency. Williams, Adley & Company is responsible for the attached auditor's report dated June 20, 2008, and the conclusions expressed in the report.

The recommendations herein have been discussed in draft with those responsible for implementation. It is our hope that this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner  
Inspector General



**Williams, Adley & Company, LLP**  
Certified Public Accountants/Management Consultants

June 20, 2008

Ms. Anne L. Richards  
Assistant Inspector General for Audits  
Office of Inspector General  
U.S. Department of Homeland Security  
245 Murray Drive, S.W., Building 410  
Washington, D.C. 20528

Dear Ms. Richards:

Williams, Adley & Company, LLP performed an audit of the State of Utah's Management of the Department of Homeland Security's State Homeland Security Grants for Fiscal Years 2004 through 2006. The audit was performed in accordance with our Task Order No. TPD-FIG-BPA-07-0013, September 25, 2007. This report presents the results of the audit and includes recommendations to help improve the State's management of the audited State Homeland Security Grant Programs.

Our audit was conducted in accordance with applicable *Government Auditing Standards*, 2003 revision. The audit was a performance audit as defined by Chapter 2 of the *Standards* and it included a review and report of program activities with a compliance element. Although the audit report comments on costs claimed by the State, we did not perform a financial audit, the purpose of which would be to render an opinion on the State of Utah's financial statements or the funds claimed in the Financial Status Reports submitted to the Department of Homeland Security.

We appreciate the opportunity to have conducted this audit. Should you have any questions, or if we can be of any further assistance, please call me at (202) 371-1397.

Sincerely,

Williams, Adley & Company, LLP

A handwritten signature in cursive script that reads "Charbet M. Duckett".

Charbet M. Duckett  
Partner

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## Abbreviations

DHS	Department of Homeland Security
OIG	Office of Inspector General
FEMA	Federal Emergency Management Agency
FY	Fiscal Year

# OIG

*Department of Homeland Security  
Office of Inspector General*

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## **Executive Summary**

Williams, Adley & Company, LLP completed an audit of the Department of Homeland Security State Homeland Security Grants awarded to the State of Utah during Fiscal Years 2004 through 2006. The objectives of the audit were to determine whether the State Administrative Agency (1) effectively and efficiently implemented the state homeland security grants programs, (2) achieved the goals of the programs, and (3) spent funds in accordance with grant requirements. The audit included a review of approximately \$55.6 million awarded by the Federal Emergency Management Agency to the State of Utah.

Overall, the State Administrative Agency did an efficient and effective job of administering the program requirements, distributing grant funds, and ensuring that all available funds were used. The State used reasonable methodologies for assessing threat, vulnerability, capability, and prioritized needs. The State measured improved preparedness, complied with cash management requirements, and generally spent the grant funds in accordance with requirements and State-established priorities. The State appropriately allocated funding based on threats, vulnerabilities, capabilities, and priorities, and the procurement methodology conformed to the State's strategy. The State's monitoring program policies and procedures were effective and should be considered for sharing with other states.

However, the State did not ensure that grant funds were allocated in accordance with the 60-day requirements, and did not submit financial status reports in a timely manner. The recommendations call for the Administrator, Federal Emergency Management Agency, to require the State to review the allocation process to meet the 60-day requirement, and to revise the Financial Status Reports preparation process to meet the 30-day requirement.

Federal Emergency Management Agency officials provided verbal concurrences with the recommendations, while State of Utah officials only concurred with the recommendation concerning Financial Status Reports. State officials also provided a written response to the recommendations, included as Appendix C.

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## Background

The Homeland Security Grant Program is a federal assistance grant program administered by the U.S. Department of Homeland Security (DHS), Grant Programs Directorate within the Federal Emergency Management Agency (FEMA). The current Grant Programs Directorate, hereafter referred to as FEMA, began with the Office of Domestic Preparedness, which was transferred from the Department of Justice to DHS in March 2003. The Office of Domestic Preparedness was subsequently consolidated into the Office of State and Local Government Coordination and Preparedness which, in part, became the Office of Grants and Training, and which subsequently became part of the FEMA.

Although the grant program was transferred to DHS, applicable Department of Justice grant regulations and legacy systems still were used as needed to administer the program. For example, the State Administrative Agency entered payment data into the Office of Justice Programs' Phone Activated Paperless Request System, which was a drawdown payment system for grant funds.

### **Homeland Security Grant Programs**

The Homeland Security Grant Program provides federal funding to help state and local agencies enhance their capabilities to prevent, deter, respond to, and recover from threats or acts of terrorism. The Homeland Security Grant Program encompasses several different federal grant programs, and depending on the fiscal year, included some or all of the following programs: State Homeland Security Grant Program, Law Enforcement Terrorism Prevention Program, Citizen Corps Program, Urban Areas Security Initiative, Metropolitan Medical Response System Program Grants, and Emergency Management Performance Grants.

**State Homeland Security Grant Program** provides financial assistance directly to each of the states and territories to prevent, respond to, and recover from acts of terrorism. The program supports the implementation of the State Homeland Security Strategy to address the identified planning, equipment, training, and exercise needs.

**Law Enforcement Terrorism Prevention Program** provides law enforcement communities with funds to support the following prevention activities: information sharing to preempt terrorist attacks, target hardening to reduce vulnerability of selected high value targets, recognition and mapping of potential or developing

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threats, counterterrorism and security planning, interoperable communications, interdiction of terrorists before they can execute a threat, and intervention activities that prevent terrorists from executing a threat. These funds may be used for planning, organization, training, exercises, and equipment.

**Citizen Corps Program** is the department's grass-roots initiative to actively involve all citizens in hometown security through personal preparedness, training, and volunteer service. Funds are used to support Citizen Corps Councils with efforts to engage citizens in preventing, preparing for, and responding to all hazards, including planning and evaluation, public education and communication, training, participation in exercises, providing proper equipment to citizens with a role in response, and management of Citizen Corps volunteer programs and activities.

**Urban Areas Security Initiative** provides financial assistance to address the unique planning, equipment, training, and exercise needs of high risk urban areas, and to assist them in building an enhanced and sustainable capacity to prevent, respond to, and recover from threats or acts of terrorism. Allowable costs for the urban areas are consistent with the State Homeland Security Program, and funding is expended based on the Urban Area Homeland Security Strategies.

**Metropolitan Medical Response System Program** supports jurisdictions in further enhancement and sustainment of their integrated, systematic mass casualty incident preparedness to respond to mass casualty events during the first hours of a response. This includes the planning, organizing, training, and equipping concepts, principles, and techniques, which enhance local jurisdictions' preparedness to respond to the range of mass casualty incidents – from chemical, biological, radiological, nuclear, and explosive events to epidemic outbreaks, natural disasters, and large-scale hazardous materials incidents.

**Emergency Management Performance Grant** funds are used to support comprehensive emergency management at the state and local levels and to encourage the improvement of mitigation, preparedness, response, and recovery capabilities for all hazards. DHS is responsible for leading and supporting the nation in a comprehensive, risk-based, all-hazards emergency management program, and these performance grant funds are a primary means of ensuring the development and maintenance of such a program.

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Funds may also be used to support activities for managing consequences of acts of terrorism.

### **State Administrative Agency**

State governors appoint a State Administrative Agency to administer the Homeland Security Grant Program. The State Administrative Agency is responsible for managing these grant programs in accordance with established federal guidelines. The State Administrative Agency is also responsible for allocating funds to local, regional, and other state government agencies.

In 1999, the Governor of Utah issued an Executive Order to address and respond to the risk of emergency or disaster that could result from terrorism or terrorist use of weapons of mass destruction. This Order identified the Division of Emergency Services and Homeland Security, currently called the Division of Homeland Security, within the Department of Public Safety, as the designated single point of contact.

The Division of Homeland Security administers and oversees FEMA federal grant programs awarded to the State, for all offices as demonstrated and accomplished through the state assessment process. In direct support of the Division of Homeland Security, an Office of Domestic Preparedness Grant Advisory Board was created to represent local jurisdictions, state, federal, and tribal governments. The Advisory Board includes representatives from functional response areas, including law enforcement, fire services, emergency management, public health and emergency medical services, health care, hazardous materials, public safety communications, public works, transportation, agriculture, environmental quality, the military, and various other agencies. The Division of Homeland Security's organizational structure is depicted in the organizational chart in Appendix B.

### **Grant Funding**

The State of Utah received approximately \$55.6 million in funds from the Homeland Security Grant Program during Fiscal Years (FY) 2004 through 2006. During that same timeframe, the Division of Homeland Security awarded subgrants to 29 counties within 7 Regions, in addition to the Explosive Ordinance Team (8 Bomb Squads). The first responders used the grant funds primarily to purchase equipment for law enforcement, fire rescue, medical emergency, and other personnel.



Table 1 displays a breakdown of the grant funds by year and funded activity. Note that not all funded activities were part of the Homeland Security Grant Program during each of the fiscal years.

**Table 1**

<b>Utah Homeland Security Grant Awards</b>				
<b>Fiscal Years 2004 through 2006</b>				
<b>Grant Programs ('000s)</b>				
<b>Funded Activity</b>	<b>2004 Homeland Security Grant Program</b>	<b>2005 Homeland Security Grant Program</b>	<b>2006 Homeland Security Grant Program</b>	<b>Total</b>
State Homeland Security Grant Program	\$ 20,518	\$ 13,046	\$ 4,520	\$ 38,084
Law Enforcement Terrorism Protection Program	\$ 6,089	\$ 4,744	\$ 3,280	\$ 14,113
Citizen Corps Program	\$ 426	\$ 166	\$ 239	\$ 831
Metropolitan Medical Response System Program	Not Included	\$ 228	\$ 232	\$ 460
Urban Areas Security Initiative	Not Included	\$ 0	\$ 0	\$ 0
Emergency Management Performance Grant	Not Included	\$ 2,125	Not Included	\$ 2,125
<b>Total</b>	\$ 27,033	\$ 20,309	\$ 8,271	\$ 55,613

Williams, Adley & Company completed an audit of the State of Utah's Management of DHS' FYs 2004 through FY 2006 State Homeland Security Grant Programs. The objectives of the audit were to determine whether the State Administrative Agency (1) effectively and efficiently implemented State Homeland Security grant programs, (2) achieved the goals of the programs, and (3) spent funds in accordance with grant requirements. The goal of the audit was to identify problems and solutions that would help the State of Utah prepare for and respond to terrorist attacks. Nine researchable questions provided by the DHS Office of Inspector General (OIG) established the framework for the audit. The researchable questions were related to the State Administrative Agency's planning, management, and results evaluations of grant activities. Appendix A provides additional details on the

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objectives, scope, and methodology of this audit, including the nine researchable questions.

Although this audit included a review of some of the costs claimed with grant funds, we did not perform a financial audit of those costs. Accordingly, we do not express an opinion on the State of Utah's financial statements or the funds claimed in the Financial Status Reports submitted to FEMA.

## **Results of Audit**

Overall, the State Administrative Agency did an efficient and effective job of administering the program requirements, distributing grant funds, and ensuring that all of the available funds were used. The Division of Homeland Security used reasonable methodologies for assessing threat, vulnerability, capability, and prioritized needs. The Division of Homeland Security measured improved preparedness, complied with cash management and status reporting requirements, and generally spent the grant funds in accordance with grant requirements and State-established priorities. In addition, the Division appropriately allocated funding based on threats, vulnerabilities, capabilities, and priorities although the State's allocation procedures delayed the allocation of grant funds to subgrantees. The procurement methodology was in conformance with the State's strategy. The Division's subgrantee monitoring program policies and procedures were effective and should be considered by FEMA for sharing with other states.

However, as demonstrated by the findings in this report, the State Administrative Agency did not ensure that:

- Grant funds were allocated in accordance with the 60-day requirements.
- Financial Status Reports for FYs 2004 through FY 2006 grants were submitted timely.

### **Untimely Allocation of Grant Funds to Subgrantees**

The State did not allocate subgrantee grant funds to the regions within the required 60 days after the grant was awarded by FEMA for FYs 2004 through FY 2006. This occurred because the Utah Department of Public Safety, Division of Homeland Security's process for allocating grant funds to subgrantees is untimely.

According to the *2004 State Homeland Security Grant Program Guidelines and Application Kit V. Application, Award and Submission Requirements Section B. Grant Award to State*, upon approval of the electronic grant application through the Grants Management System and approval of the State Homeland Security Strategy, the grant will be awarded to the respective State Administrative Agency. This date will be known as the award date. The State's 60-day obligation period must be met within 60 days of the award date. Similar guidance can be found in the FY 2005 and FY 2006 *State Homeland Security Grant Program Guidelines*.

For the FYs 2004 through 2006 State Homeland Security Grant Programs, the State of Utah Department of Public Safety, Division of Homeland Security did not follow the guidelines for allocating the funds to the regions within 60 days after the funds had been obligated by FEMA. For FY 2004, the funds were allocated between 58 to 104 days, with an average of 82 days. The State met the requirement for only one county. For FY 2005 the funds were allocated an average of 77 days, ranging from 69 to 133 days. For FY 2006, the funds were allocated an average of 100 days, ranging from 56 to 262 days. Only two counties were allotted their funds within 60 days in FY 2006.

**Table 2**

<b>State Allocation of Grant Funds</b>			
<b>Fiscal Year Grant Award</b>	<b>Allocations of Funds within 60 days</b>	<b>Range of Days Funds Allocated</b>	<b>Average # Days Allocated</b>
FY 2004	1	58 to 104	82
FY 2005	0	69 to 133	77
FY 2006	2	56 to 262	100

Although FEMA announces the amounts to be granted to each state several months in advance of the grant award, the State's process of allocating funds to the regions does not begin until after the award is issued. At that time, the State provides the amount allotted to the regions and requests that the regions provide a budget justification, indicating how they will spend the State-allotted amount. The budget justification, which is sent to the State for approval and signature, provides the basis for the allocation/obligation. If approved, the director signs the allocation/obligation document, which is then forwarded to each

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region in duplicate. Each region signs both copies and returns one to the State. Funds are now available to be expended by the regions, and suballocated to the counties as appropriate.

Allocation of the grant funds to the regions later than the intended deadline delays the regions from obtaining the equipment, training, planning, or exercises they may need. We also noted that in 2006 the grant award process required additional justification prior to receiving funding, unlike previous years where the States knew their estimated grant funding amount prior to the award. The nature of the 2006 grant would make preplanning more difficult but even more essential to the timely distribution of grant funds to the subgrantees.

## **Recommendation**

**Recommendation #1:** We recommend that the Administrator, Federal Emergency Management Agency, require the Utah Department of Public Safety, Division of Homeland Security to review its process for allocating funds to subgrantees to identify areas in the process which can be accelerated. An accelerated process will ensure that when an award is issued, the documentation required for funds allocation can be processed quickly to comply with the 60-day requirement.

## **Management Comments and Auditor's Analysis**

We received verbal concurrence on the recommendation from FEMA officials. The State Administrative Agency officials did not concur with the recommendation. In their written comments, the State officials said that they were following the instructions from the Department of Homeland Security that the Initial Strategic Implementation Plan report satisfies the congressionally mandated 60-day obligation requirement.

We contend that the State's interpretation of the guidance related to the Initial Strategic Implementation Plan is not relevant to the scope of this audit, which covers FYs 2004 through 2006 of the State Homeland Security Grant Programs. The State provided us with the *Federal Emergency Management Agency: Frequently Asked Questions Grant Reporting Tool March 2008* to support its stance on this matter. Upon review of this document, we determined that the guidance (1) was issued after the audit period and (2) does not accurately define the term "obligation" in terms of meeting the 60-day requirement. Therefore, we maintain that the

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State did not fulfill the 60-day pass-through requirement, as required by the Homeland Security Grant Program - Program Guidelines and Application Kits for FYs 2004, 2005, and 2006.

The Administrator, Federal Emergency Management Agency, needs to provide corrective actions and a plan to implement these actions within 90 days.

## **Untimely Submission of Financial Status Reports**

The Utah Department of Public Safety, Division of Homeland Security, did not submit 6 of 29 Financial Status Reports within the 45-day requirement for FY 2004 and FY 2005 State Homeland Security Grant Programs, and within the 30-day requirement for the FY 2006 State Homeland Security Grant Program. The Financial Manager for the Department of Public Safety did not effectively manage the change in submission date requirements during FY 2006 for the State Homeland Security Grant Programs.

The FY 2004 and FY 2005 *State Homeland Security Grant Program Guidance and Application Kit* require the Financial Status Reports to be submitted within 45 days of the end of the quarter.

According to FY 2006 *State Homeland Security Grant Program Guidance and Application Kit section C.1*, obligations and expenditures must be reported on a quarterly basis through the Financial Status Report, which is due within 30 days of the end of each calendar quarter. The guidance explicitly notes that this was a change from previous fiscal years. A report must be submitted for every quarter the award is active, including partial calendar quarters, as well as for periods where no grant activity occurs. Future awards and fund drawdowns will be withheld if these reports are delinquent.

As shown in Table 3, 6 of 29 Financial Status Reports tested were submitted late, ranging from 3 to 23 days after the due date. One report was submitted late for each of the FY 2004 and FY 2005 grant years; the other four late reports were for the FY 2006 grants, for which the reporting requirement changed to 30 days.

**Table 3**

<b>State Submission of Financial Status Reports</b>			
<b>Fiscal Year Grant Award</b>	<b>Reports Submitted By Due Dates</b>	<b>Reports Submitted After Due Dates</b>	<b>Days Reports Delayed</b>
FY 2004	13	1	8
FY 2005	11	1	8
FY 2006	5	4	3 to 23

During 2007, the ongoing grants from FY 2004, FY 2005, and FY 2006 had different reporting requirements, which increased the opportunity for confusion and misinterpretation of the requirements. Additionally, the Utah Department of Public Safety, Division of Homeland Security, did not revise its procedures to effectively and consistently meet the new 30-day requirement. The process remained focused on the 45-day requirement.

As a result, the Federal Emergency Management Agency's ability to effectively and efficiently monitor the State Homeland Security Grant Program expenditures for the State of Utah was hampered by the untimely submission of the Financial Status Reports as shown in Table 3 above. Also, delays in financial reporting could result in delays in drawing down funds, since funds will be withheld until reports are submitted.

## **Recommendation**

**Recommendation #2:** We recommend that the Administrator, Federal Emergency Management Agency, require the Utah Department of Public Safety, Division of Homeland Security, to revise its Financial Status Report procedures to accommodate the 30-day timeframe for submission.

## **Management Comments and Auditor's Analysis**

We received verbal concurrences on the recommendation from FEMA officials. The State Administrative Agency officials also concurred with the recommendation. In their written comments, the State officials said they have revised their procedures to accommodate the 30-day time frame for submission of the Financial Status Report.

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We agree that this action addresses the intent of the recommendation. As such, this recommendation is now resolved and closed.

## **Appendix A**

### **Objectives, Scope, and Methodology**

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The purpose of the audit was to determine whether the State of Utah effectively and efficiently implemented the state homeland security grant program, achieved the goals of the program, and spent funds according to grant requirements. The goal of the audit was to identify problems and solutions that would help the State of Utah prepare for and respond to terrorist attacks. The audit further enabled us to answer the following researchable questions:

- Did the State use reasonable methodologies for assessing threat, vulnerability, capability, and prioritized needs?
- Did the State appropriately allocate funding based on threats, vulnerabilities, capabilities, and priorities?
- Has the State developed and implemented plans to measure improvements in preparedness as a result of the grants and have such measurement efforts been effective?
- Are the State's procurement methodologies (centralized, local, or combination) reasonable and in conformance with its homeland security strategies?
- Does the State Administrative Agency have procedures in place to monitor the funds and activities at the local level to ensure that grant funds are spent according to grant requirements and the State-established priorities? Have these monitoring procedures been implemented and are they effective?
- Did the State comply with cash management requirements and the DHS financial and status reporting requirements for the grant programs and did local jurisdictions spend grant funds advanced by the State in a timely manner and, if not, what caused the delays?
- Were grant funds used according to grant requirements and State-established priorities?
- Was the time it took the State to get funds/equipment to first responders (from the time the funds/equipment were available to the State until they were disbursed/provided to the jurisdiction) reasonable (auditor judgment), and if not, what caused the delays?



## **Appendix A**

### **Objectives, Scope, and Methodology**

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- Are there best practices that can be identified and shared with other states and the DHS?

The scope of the audit included the following grant programs, described in the Background section of this report.

- FY 2004 State Homeland Security Grant Program
- FY 2005 State Homeland Security Grant Program
- FY 2006 State Homeland Security Grant Program

The audit methodology included work at DHS Headquarters, State of Utah offices responsible for the management of the grants, and various subgrantee locations. To achieve our audit objective we analyzed data, reviewed documentation, and interviewed the key state and local officials directly involved in the management and administration of the State of Utah's Homeland Security Grant Programs. We conducted 31 site visits and held discussions with appropriate officials from 19 of the 29 counties representing 6 of 7 regions and 3 of 8 Explosive Ordinance Disposal Teams, in order to determine if program grant funds were expended according to grant requirements and State-established priorities.

We also conducted site visits to the following 31 first responders and local jurisdictions:

- Davis County Health Department
- Salt Lake County Sheriff
- Park City Fire Department
- Bluffdale Fire Department
- Layton City Fire Department
- Layton City Police Department
- Carbon County Special Weapons and Tactics
- Carbon County Police Department
- Emery County Sheriff
- Grand County Sheriff
- Grand County Emergency Management Service
- Grand County-Spanish Valley Water
- Iron County
- Cedar City Fire Department
- Juab County
- Piute County
- Piute County Hazardous Material Team
- Saint George Bomb Squad

## Appendix A

### Objectives, Scope, and Methodology

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- Saint George Police Department
- Washington County
- Provo Bomb Squad
- Utah County Emergency Management Services
- Davis County Narcotics
- Sunset City Fire Department
- Utah County Fire Department
- Draper City Police
- The Town of Alta
- Jordan County Water Conservatory
- Unified Fire Authority
- Summit County Sheriff
- Davis County Bomb Squad

At each location, we interviewed responsible officials, reviewed documentation supporting the State and subgrantees management of the awarded grant funds, and physically inspected 149 statistically-selected equipment procured with the grant funds. We reviewed prior audit reports and coordinated our work with the Department of Public Safety, Division of Homeland Security.

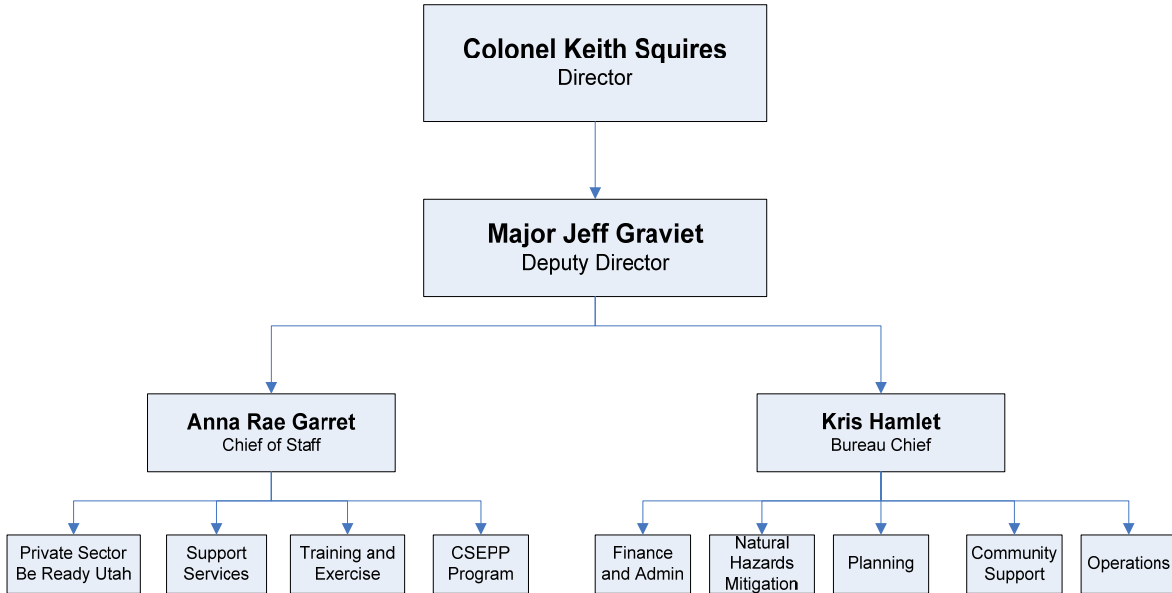
We conducted the audit between November 2007 and March 2008, in accordance with *Government Auditing Standards* as prescribed by the Comptroller General of the United States (Yellow Book-2003 Revision). Although this audit included a review of costs claimed, we did not perform a financial audit of those costs. This was primarily a performance rather than a compliance audit performed by a Department of Homeland Security, Office of Inspector General contractor. We were not engaged to and did not perform a financial statement audit, the objective of which would be to express an opinion on specified elements, accounts, or items. Accordingly, we were neither required to, nor expressed an opinion on the costs claimed for the grant programs included in the scope of the audit. Had we been required to perform additional procedures, or conducted an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported. This report relates only to the programs specified and does not extend to any financial statements of the State of Utah.

While the audit work was performed and the report was prepared under contract, the results are being reported by the DHS Office of Inspector General to appropriate Federal Emergency Management Agency officials and State of Utah officials.

**Appendix B**  
**Organization Chart**

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**Utah Department of Public Safety**  
**Division of Homeland Security**  
September 2007



**Appendix C**  
**Management Comments to the Draft Report**

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State of Utah  
JON M. HUNTSMAN, JR.  
*Governor*  
GARY R. HERBERT  
*Lieutenant Governor*

Department of Public Safety

SCOTT T. DUNCAN  
*Commissioner*

June 12, 2008

Michelle Duckett  
Williams Adley and Co. LLP  
1250 H Street, N.W. Suite 1150  
Washington D.C. 20005

Dear Ms. Duckett:

Attached to this letter is the official response by the Utah Department of Public Safety, Division of Homeland Security to the draft audit, The State of Utah's Management of State Homeland Security Grants Awarded During Fiscal Years 2004 through 2006.

During the exit conference we discussed and clarified several issues which we have incorporated into our response.

We appreciate the opportunity to respond to this audit and the courtesies extended during the exit conference. If you have any questions or need additional information, please contact me at (801) 538-9553.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kris Hamlet".

Kris Hamlet  
Bureau Chief

Enclosure

Division of Homeland Security, 1110 State Office Building, Salt Lake City, Utah 84114-1710  
telephone 801-538-3400 • facsimile 801-538-3770 • <http://des.utah.gov>

## Appendix C

### Management Comments to the Draft Report

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**State of Utah**  
**Department of Public Safety**  
**Division of Homeland Security**  
**As State Administrative Agency (SAA)**  
**Response to the Department of Homeland Security**  
**Office of Inspector General**  
**The State of Utah's Management of State Homeland Security Grants**  
**Awarded During Fiscal Years 2004 through 2006**

**Finding:** Untimely Allocation of Grant Funds to Subgrantees

**Recommendation:** We recommend that the Administrator, Federal Emergency Management Agency, require the Utah Department of Public Safety, Division of Homeland Security to review its process for allocating funds to subgrantees to identify areas in the process which can be accelerated. An accelerated process will ensure that when an award is issued, the documentation required for funds allocation can be processed quickly to comply with the 60-day requirement.

**Agency Response:** The State of Utah respectfully does not concur with the condition of the audit finding. The State of Utah Homeland Security Grant Program funds were obligated and awarded to local jurisdictions within 60 days of the grant announcement dates.

2004 SHSP—6/25/2004  
2005 SHSP—4/29/2005  
2006 SHSP—8/25/2006

Please note the State received instructions from the Department of Homeland Security that the Initial Strategic Implementation Plan (ISIP) report meets the congressional mandated 60-day obligation requirement.

It is requested the Federal Emergency Management Agency review the State of Utah Homeland Security Grant Program obligating policies and procedures and make recommendations for improvements.

## Appendix C

### Management Comments to the Draft Report

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**Finding:** Untimely Submission of Financial Status Report

**Recommendation:** We recommend that the Administrator, Federal Emergency Management Agency, require the Utah Department of Public Safety, Division of Homeland Security, to revise its Financial Status Report reporting procedures to accommodate the 30-day timeframe for submission.

**Agency Response:** The State of Utah respectfully concurs with the condition of the audit finding. The Utah Department of Public Safety, Division of Homeland Security has revised its Financial Status Report reporting procedures to accommodate the 30-day timeframe for submission of the SF-269. Please note conflicting information was provided to the State from the Federal government regarding this requirement. The FY 2006 HSGP application guidance made note of the 30-day requirement; however, the Department of Justice, Office of Justice Programs, Office of the Comptroller On-Line Filing of SF-269 Quarterly Financial Status Reports instructions referenced the 45-day requirement for on-line filing of the SF-269.

**Appendix D**  
**Report Distribution**

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**Department of Homeland Security**

Secretary  
Deputy Secretary  
Chief of Staff  
Deputy Chief of Staff  
General Counsel  
Executive Secretary  
Director, GAO/OIG Liaison Office  
Assistant Secretary for Office of Policy  
Assistant Secretary for Office of Public Affairs  
Assistant Secretary for Office of Legislative Affairs

**Federal Emergency Management Agency**

Administrator  
Assistant Administrator, Grant Programs Directorate  
Deputy Administrator, National Preparedness Directorate  
Federal Emergency Management Agency Audit Liaison  
Grant Programs Directorate Audit Liaison  
National Preparedness Directorate Audit Liaison

**Office of Management and Budget**

Homeland Bureau Chief  
DHS OIG Budget Examiner

**Congress**

Congressional Oversight and Appropriations Committees, as appropriate

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- **Fax the complaint directly to us at (202) 254-4292;**
- **Email us at [DHSOIGHOTLINE@dhs.gov](mailto:DHSOIGHOTLINE@dhs.gov); or**
- **Write to us at:**  
**DHS Office of Inspector General/MAIL STOP 2600, Attention:**  
**Office of Investigations - Hotline, 245 Murray Drive, SW, Building 410,**  
**Washington, DC 20528,**

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