

# Department of Homeland Security **Office of Inspector General**

The State of Oklahoma's Management of  
State Homeland Security Program and  
Urban Areas Security Initiative Grants  
Awarded During Fiscal Years  
2006 through 2008





**Homeland  
Security**

NOV 21 2011

## 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.

This report addresses the strengths and weaknesses of the State of Oklahoma's management of State Homeland Security Program and Urban Areas Security Initiative grants awarded during fiscal years 2006 through 2008. We contracted with the independent public accounting firm Regis & Associates, PC to perform the audit. The contract required that Regis & Associates, PC perform its audit according to generally accepted government auditing standards. Regis & Associates, PC's report identifies two reportable conditions where the State of Oklahoma's management of the grant funds could be improved, resulting in a recommendation addressed to the Assistant Administrator, Grant Programs Directorate, Federal Emergency Management Agency. Regis & Associates, PC is responsible for the attached auditor's report dated October 12, 2011, and the conclusions expressed in the report.

The recommendation herein has been developed to the best knowledge available to our office, and has been discussed in draft with those responsible for implementation. We trust 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 "Anne L. Richards".

Anne L. Richards

Assistant Inspector General for Audits

October 12, 2011

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, DC 20528

Dear Ms. Richards,

Regis & Associates, PC performed an audit of the State of Oklahoma's management of the Department of Homeland Security's State Homeland Security Program and Urban Areas Security Initiative grants for fiscal years 2006 through 2008. The audit was performed in accordance with Contract No. TPD-FIG-BPA-07-0014; Task Order 0002 dated September 29, 2009. This report presents the results of the audit and includes a recommendation to help improve the State's management of the audited State Homeland Security Program and Urban Areas Security Initiative grants.

Our audit was conducted in accordance with applicable *Government Auditing Standards*, 2007 revision. The audit was a performance audit as defined by Chapter 1 of the *Standards* and included a review and report on 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 Oklahoma'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 need further assistance, please contact us at (202) 296-7101.

Sincerely,



Peter R. Regis, CPA  
Partner  
Regis & Associates PC

# Table of Contents/Abbreviations

---

Executive Summary .....	1
Background .....	2
Results of Audit .....	6
Documentation of Performance Data and Monitoring .....	7
Recommendation .....	8
Management Comments and Auditors' Analysis .....	9
Equipment Purchased With Homeland Security Grant Program Funds .....	9
Management Comments and Auditors' Analysis .....	11

## Appendices

Appendix A: Purpose, Scope, and Methodology .....	12
Appendix B: Management Comments to the Draft Report .....	15
Appendix C: Organization Chart .....	19
Appendix D: Report Distribution .....	20

## Abbreviations

DHS	Department of Homeland Security
FEMA	Federal Emergency Management Agency
FY	fiscal year
OIG	Office of Inspector General

# OIG

---

*Department of Homeland Security  
Office of Inspector General*

## **Executive Summary**

Regis & Associates, PC completed an audit of the State of Oklahoma's management of State Homeland Security Program and Urban Areas Security Initiative grants awarded during fiscal years 2006 through 2008. The audit objectives were to determine whether the State of Oklahoma distributed and spent Homeland Security Grant Program funds strategically, effectively, and in compliance with laws, regulations, and guidance. The audit included a review of approximately \$34.8 million in State Homeland Security Program and Urban Areas Security Initiative grant funds awarded to the State of Oklahoma.

Generally, the State of Oklahoma did an efficient and effective job of administering the program requirements in compliance with grant guidance and regulations. Funding was linked to goals in the State Homeland Security Strategy and project-based objectives, which in turn were based on initiatives and needs identified by the Oklahoma Office of Homeland Security. Funds and resources were distributed based on those project-based objectives. Reasonable methodologies were used for assessing threats and vulnerabilities and response capability.

However, improvements were needed in the State of Oklahoma's documentation of performance monitoring and identification of equipment purchased with Department of Homeland Security grant funds. Our recommendation calls for the Federal Emergency Management Agency to require the State of Oklahoma to initiate improvements which, if implemented, should help strengthen program management, performance, and oversight. Written comments to the draft report are incorporated as appropriate and included in their entirety in appendix B.

---

## 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 FEMA.

Although the grant program was transferred to DHS, applicable Department of Justice grant regulations and legacy systems were still used, as needed, to administer the program. For example, through fiscal year (FY) 2008 the Office of Justice Programs' Grants Management System was used to receive grantee applications and to administer the award and reporting processes. Also, prior to transfer, 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. That payment system was replaced in April 2007 by FEMA's Payment and Reporting System, which allows grantees to make payment requests and complete and transmit their quarterly Financial Status reports online.

### Homeland Security Grant Program

The Homeland Security Grant Program provides federal funding to help state and local agencies enhance their capabilities to prevent, protect against, respond to, and recover from terrorist attacks, major disasters, and other emergencies. The Homeland Security Grant Program encompasses several interrelated federal grant programs that together fund a range of preparedness activities, including planning, organization, equipment purchase, training, and exercises, as well as management and administrative costs. Depending on the fiscal year, the program included some or all of the following programs:

- **State Homeland Security Program** supports the implementation of State Homeland Security Strategies to address the identified planning, organization, equipment, training, and exercise needs to prevent, protect against, respond

---

to, and recover from acts of terrorism and other catastrophic events.

- **Urban Areas Security Initiative Program** funds address the unique planning, organization, equipment, training, and exercise needs of high-threat, high-density Urban Areas, and assists them in building an enhanced and sustainable capacity to prevent, protect against, respond to, and recover from acts of terrorism.
- **Law Enforcement Terrorism Prevention Program** provides resources to law enforcement and public safety communities (working with their private partners) to support critical terrorism prevention activities, including: establishing and enhancing fusion centers and collaborating with non-law enforcement partners, other government agencies, and the private sector.
- **Citizen Corps Program** mission is to bring community and government leaders together to coordinate the involvement of community members and organizations in emergency preparedness, planning, mitigation, response, and recovery.
- **Metropolitan Medical Response System Program** funds support designated jurisdictions to further enhance and sustain a regionally integrated, systematic mass casualty incident preparedness program that enables a response during the first crucial hours of an incident. The program prepares jurisdictions for response to all-hazards mass casualty incidents, including chemical, biological, radiological, nuclear, and explosives terrorism, epidemic disease outbreaks, natural disasters, and large-scale hazardous material incidents.

### **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 the 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. The Oklahoma Office of Homeland Security is the State Administrative Agency designated to provide administrative oversight for the Homeland Security Grant Program. The Oklahoma Homeland Security Director is the head of the Oklahoma Office of Homeland

---

Security, and is the Homeland Security Advisor to the Governor. The Oklahoma Office of Homeland Security is responsible for formulating the State Homeland Security Strategy and setting resulting policy, with the Governor's approval, for the State of Oklahoma.

The Oklahoma Office of Homeland Security was created by the *Oklahoma Homeland Security Act* (Act) in 2004. The Act tasked the Oklahoma Homeland Security Director with developing and coordinating the implementation of a statewide homeland security strategy. The Act directed that the homeland security strategy address specific objectives, such as reducing the State's vulnerability to terrorist attacks. The Act also provided for the creation of regional advisory councils with the following duties: (1) assessing and documenting the needs of the region related to homeland security, (2) coordinating and cooperating with the Oklahoma Office of Homeland Security to achieve the strategic objectives prescribed in the Act, and (3) other duties assigned by the Homeland Security Director.

For homeland security purposes, the State of Oklahoma (State) is divided into eight regions—each with a 15-member Council. The Homeland Security Director appoints members of each Council from 15 specific disciplines specified in the Act (for example a paid fire chief, a volunteer fire chief, a county sheriff, an emergency manager etc.) based on recommendations the Director receives from associations representing the respective disciplines.

Oklahoma Executive Order 2005-6 tasked the Oklahoma Homeland Security Director with coordinating homeland security efforts for the entire state and designated the Oklahoma Homeland Security Director as the single point of contact for all homeland security efforts within the State. The Oklahoma Office of Homeland Security's organizational structure is shown in appendix C of this report.

In addition, the Oklahoma Department of Emergency Management is responsible for coordinating the State of Oklahoma's response to any major emergency or disaster, supporting local governments as needed or requested, and coordinating assistance with FEMA or other partners. The Oklahoma Department of Emergency Management works closely with the Oklahoma Office of Homeland Security in areas such as planning and identifying hazards.



---

## Grant Funding

FEMA awarded the State approximately \$46.9 million in Homeland Security Grant Program funds during FYs 2006 through 2008. Of this amount, \$21.2 million was in State Homeland Security Program grants and \$13.5 million in Urban Areas Security Initiative grants.

The State used the grant funds primarily to better prepare the State in the areas of terrorism prevention and protection, and all-hazards response and recovery. Most of the funding was used to provide first responders with the equipment, training, and exercises necessary to safely respond to and manage all-hazard incidents. Table 1 identifies a breakdown of the grant funds by funded activity and fiscal year. Note that not all funded activities were part of the Homeland Security Grant Program during each of the fiscal years.

Table 1

<b>Oklahoma Homeland Security Grant Program Awards Fiscal Years 2006 through 2008</b>				
<b>Funded Activity</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>Total</b>
State Homeland Security Program	\$8,480,000	\$5,070,000	\$7,690,000	\$21,240,000
Urban Areas Security Initiative	4,102,000	4,780,000	4,637,000	13,519,000
Law Enforcement Terrorism Prevention Program	6,170,000	3,620,000	Not Applicable	9,790,000
Citizen Corps Program	280,000	212,000	214,000	706,000
Metropolitan Medical Response System Program	465,000	516,000	642,000	1,623,000
<b>Total</b>	<b>\$19,497,000</b>	<b>\$14,198,000</b>	<b>\$13,183,000</b>	<b>\$46,878,000</b>

Regis & Associates, PC completed an audit of the State of Oklahoma's management of DHS' State Homeland Security Program and Urban Areas Security Initiative grants awarded during FYs 2006 through 2008. The objectives of this audit were to determine whether the State distributed and spent Homeland Security Grant Program funds strategically, effectively, and in compliance with laws, regulations, and guidance.

---

Nine researchable questions provided by DHS Office of Inspector General (OIG) established the framework for the audit. These researchable questions were related to the State Administrative Agency's planning, management, and evaluation of grant activities. Appendix A provides additional details on the purpose, scope, and methodology of this audit, including the nine researchable questions.

## **Results of Audit**

### **State Grants Management Practices Were Generally Effective, But Some Improvements Needed**

Generally, the State did an efficient job of managing the \$21.2 million in State Homeland Security Program funds and \$13.5 million in Urban Areas Security Initiative funds it received during FYs 2006 through 2008. Funding was linked to the plans and core priorities identified by Oklahoma's Office of Homeland Security, and funds and resources were distributed based on those priorities. The core priorities, as well as projects for achieving the core priorities, were linked to the State's strategic goals and objectives, which were approved by FEMA.

As a way of measuring achievement of the strategic goals and objectives, the Oklahoma Office of Homeland Security monitored statewide initiatives and ensured that planning, training, exercises, interoperability, and equipment acquisitions addressed the State's strategic goals and objectives. The State used reasonable methodologies for assessing threats through data gathered by the Oklahoma Department of Emergency Management and the Fusion Center. The grants were generally administered in compliance with applicable laws, regulations, and guidance.

However, improvements were needed in the State's management of the State Homeland Security Program grants in the following areas:

- Recording and maintaining adequate documentation related to accomplishment of the goals and objectives outlined in the State's Homeland Security Strategy.
- Ensuring that equipment purchased with DHS grant funds was appropriately identified.

---

## Documentation of Performance Data and Monitoring

The State did not have an adequate system to document and analyze performance data related to the accomplishment of the goals and objectives outlined in the State of Oklahoma's Homeland Security Strategy, which was approved by FEMA. The Oklahoma Office of Homeland Security monitors grantees' and subgrantees' homeland security activities in support of the State's strategy; however, data related to the progress made for ongoing projects is not always collected at the state level and not documented in a manner that would facilitate ongoing analysis and review of progress being made. Oklahoma's Office of Homeland Security could not provide documentation, such as meeting minutes, review worksheets, checklists, or memoranda, substantiating that the reviews were performed for projects under the grants. Also, the State did not maintain documentation to support that performance data exists and that performance monitoring is being conducted.

For example, during one of our 28 site visits to various state and local agencies in Oklahoma, the Emergency Management Director and former Fire Chief described a first-hand experience that clearly demonstrated the benefits of interoperability communications put in place as a result of the grant funds. The city had requested funding to become part of an interoperability project after experiencing uncoordinated efforts among firefighters, police, first responders, emergency medical, and other support teams responding to a tornado. Benefits of interoperable communications were subsequently realized in response to a major wildfire in the area, when coordinated efforts to deploy emergency personnel put the fire under control.

Another example was a successful rescue operation for a manhole collapse described by a city's Deputy Chief and Training Officer. The Deputy Chief and Training Officer explained how resources from various agencies and first responders were mobilized for the rescue operation. The mobilization was based on lessons learned from other incidents and training previously conducted with the agencies and first responders.

Without written records and a formal system for recording lessons learned, important information may not be available for future reference or for evaluation by federal, state, and local agencies. Also, if employees who monitor events do not record such information, historical knowledge is lost when they leave the agency.

According to Title 44 of the Code of Federal Regulations, Section 13.40, *Emergency Management and Assistance - Monitoring and reporting program performance*, grantees are responsible for managing the day-to-

---

day operations of grant- and subgrant-supported activities. Grantees must monitor grant and subgrant supported activities to ensure compliance with applicable federal requirements and achievement of performance goals. Grantee monitoring must cover each program, function, or activity.

Furthermore, the January 2006 DHS Financial Management Guide, Chapter Four, states that recipients have full responsibility for the conduct of the project or activity supported and for the results achieved. The Oklahoma Office of Homeland Security must monitor the performance of projects to ensure adherence to performance goals, time schedules, or other requirements as appropriate to the projects or the terms of the agreements. The Oklahoma Office of Homeland Security is responsible for monitoring the activities of, and pass-through requirements to, any subrecipients.

If the state does not adequately monitor subgrantee program performance and retain evidence of monitoring activities, the state cannot determine if program goals are met and assets purchased are used as intended. Furthermore, lack of adequate programmatic monitoring prevents the State from being able to measure improved preparedness and to ensure that optimal progress was accomplished through the use of grant funds. For example, the State should be able to measure progress in the following areas:

- Equipment - Emergency responders' capacity to respond with new equipment to incidents that pose a threat to homeland security.
- Training - Number of emergency responders who have increased skills needed to respond to threats to homeland security and use the new equipment properly.
- Exercises - Number of task forces, regions, or emergency responders that participated in exercises.

## **Recommendation**

We recommend that the Assistant Administrator, Grant Programs Directorate, require the Director of the Oklahoma Office of Homeland Security to:

**Recommendation #1:** Develop and implement policies and procedures to document, retain, and utilize the results of performance monitoring.

---

## **Management Comments and Auditors' Analysis**

FEMA concurred with this recommendation, and will request the Oklahoma Office of Homeland Security submit a revised Homeland Security Grant Program monitoring policy within 90 days of the receipt of the final report. The policy is to include a more formalized and robust method for tracking progress made by subgrantees, procedures for documenting the results of performance monitoring, and policies for the retention and utilization of performance monitoring results.

Oklahoma Office of Homeland Security officials agreed with the recommendation and stated that they intend to increase their efforts to improve all aspects of performance monitoring. Oklahoma Office of Homeland Security officials stated that they recently filled the vacant Regional Response System Coordinator position. They also stated that the new coordinator has begun the process of visiting each recipient of Regional Response System equipment with the intent to document what is working well, what is not working, and what is needed to maintain the integrity of the Regional Response System. Part of this process will be to memorialize the effective uses of Regional Response System equipment and lessons learned over the past seven plus years.

In addition, Oklahoma Office of Homeland Security officials indicated that they will amend their regular site monitoring procedures to prompt the Oklahoma Office of Homeland Security monitoring personnel to explore and document ways in which grant-funded expenditures have improved an individual subgrantee's ability to accomplish the goals associated with the particular grant.

The actions proposed by FEMA and the Oklahoma Office of Homeland Security meet the intent of the recommendation. If properly implemented, the actions identified in the responses should address the conditions indentified during the audit. This recommendation is considered resolved and open, pending final implementation of the proposed corrective actions.

### **Equipment Purchased with Homeland Security Grant Program Funds**

At 9 of 28 locations we visited, various items such as interoperable equipment, emergency response vehicles, and surveillance cameras were not labeled as purchased with Homeland Security Grant Program funds by

---

the Oklahoma Office of Homeland Security. We examined equipment and assets purchased with Homeland Security funds to validate their existence and proper identification. We obtained a listing of equipment purchased with State Homeland Security Program and Urban Areas Security Initiative grant funds for each location selected for site visit. At each location, we selected a sample from the listing and identified the purchased equipment by serial number on the equipment.

According to Office of Management and Budget Circular A-133, *Compliance Supplement* (March 2009), property tags are required to be placed on equipment as part of control activities necessary to provide reasonable assurance that proper records are maintained for equipment acquired with federal awards, equipment is adequately safeguarded and maintained, and disposition or encumbrance of any equipment or real property is in accordance with federal requirements. In addition, under the terms and special conditions of the Homeland Security Grant Program award, the recipient agrees that, when practicable, any equipment purchased with grant funding shall be prominently marked as “Purchased with funds provided by the U.S. Department of Homeland Security.”

The Oklahoma Office of Homeland Security did not follow and enforce FEMA guidelines to ensure that equipment purchased with Homeland Security funds was identified as being purchased with DHS grants. There were no policies and procedures in place to ensure that equipment purchased with Homeland Security Grant Program funds was properly identified. The tagging of grant-funded equipment is necessary to help deter theft or unauthorized usage, and to display proper ownership. As a result, the State and its subgrantees were not in compliance with FEMA’s grant agreement.

State officials agreed and immediately took steps to address this issue by marking all the equipment that had not been previously marked. In addition, the Oklahoma Office of Homeland Security revised its Policies and Procedures by adding a subsection titled, *Equipment Marking*. The revision states that, to the extent practicable, U.S. Department of Homeland Security funded equipment should be marked, “Purchased with funding from the Oklahoma Office of Homeland Security with funds provided by the U.S. Department of Homeland Security/FEMA.” The corrective actions were completed prior to issuance of this report; therefore, we considered this finding closed and make no recommendation.

---

## **Management Comments and Auditors' Analysis**

At the exit conference, FEMA officials verbally concurred with the finding. Oklahoma Office of Homeland Security officials also agreed with the finding at the exit conference. In its written response, the Oklahoma Office of Homeland Security acknowledged that prior to our fieldwork some of the equipment purchased with DHS funding was not appropriately marked as having been purchased with FEMA/Department of Homeland Security funding. The Oklahoma Office of Homeland Security also said that during the course of our fieldwork, it took steps to remind its subgrantees of the need to place stickers on DHS-funded equipment, where practicable, and provided attachable stickers to the subgrantees as needed. It also said that verification of markings is now a routine part of its on-site monitoring process.

## **Appendix A**

### **Purpose, Scope, and Methodology**

---

The purpose of this audit was to determine whether the State of Oklahoma distributed and spent State Homeland Security Program and Urban Areas Security Initiative Program grant funds strategically, effectively, and in compliance with laws, regulations, and guidance. The goal of this audit was to identify problems and solutions that can help the State of Oklahoma better prepare for and respond to threats, acts of terrorism, and other hazards. The audit further enabled us to answer the following nine researchable questions:

- Were measurable goals developed from plans?
- Do funded plans link all-hazards capabilities to goals?
- Were funds and resources distributed based on goals?
- Does the State accurately measure risk?
- Does the State measure response capabilities?
- Can the State demonstrate improved performance?
- Were grants administered compliantly?
- Did the State monitor grant programs?
- What innovative practices can be used by other states?

The scope of the audit included the State Homeland Security Program and Urban Areas Security Initiative awards for FYs 2006, 2007, and 2008 as described in the background section of this report.

The audit methodology included work at FEMA Headquarters, the Oklahoma Office of Homeland Security, and various subgrantee locations. To achieve our audit objectives we analyzed data, reviewed documentation, and interviewed key state and local officials directly involved in the management and administration of the State of Oklahoma's Homeland Security Grant Program.

In order to determine whether the program grant funds were expended according to grant requirements and State established priorities, we conducted 28 site visits and held discussions with appropriate officials from all eight regions and six state agencies that were awarded State Homeland Security Program and Urban Areas Security Initiative Grants. Agencies visited included:

#### **Local Jurisdictions**

- Comanche Nation
- Enid – Chisholm School
- Enid – Fire Department
- Enid – Emergency Medical Response Unit



## **Appendix A**

### **Purpose, Scope, and Methodology**

---

- Lawton – Technical Response Team
- Lawton – Interoperability System
- Midwest City Fire Department
- Muskogee – Regional Response System
- Muskogee – Emergency Medical Services
- Norman – Bomb Squad
- Norman – Response and Rescue Squad
- Oklahoma City – Emergency Management System
- Oklahoma City – National Stock Yards
- Oklahoma City – Public Safety – School Security
- Oklahoma City – Regional Response
- Owasso – Interoperability and Emergency Response
- Seminole Technical Response Team and Emergency Medical Response Unit
- Tulsa – Interoperability and Emergency Response
- Tulsa – Urban Search and Rescue
- Association of Central Oklahoma Governments

#### **State Agencies**

- Department of Agriculture – Decontamination Unit
- Department of Emergency Management
- Department of Emergency Management – State Emergency Operations Center
- Department of Public Safety
- Department of Public Safety – Interoperable Communication Group
- Department of Public Safety – Oklahoma Highway Patrol
- Oklahoma Office of Homeland Security – National Incident Management System Compliance Group
- Oklahoma Office of Homeland Security – Public Outreach Group
- Oklahoma State Bureau of Investigation – Fusion Center

#### **Urban Areas Security Initiative**

- Department of Agriculture – Decontamination Unit
- Department of Emergency Management – Emergency Operations Center
- Department of Public Safety
- Department of Public Safety – Oklahoma Highway Patrol
- Norman – Response and Rescue Squad
- Oklahoma State Bureau of Investigation – Fusion Center

## Appendix A

### Purpose, Scope, and Methodology

---

At each location, we interviewed responsible officials, reviewed documentation supporting the State and subgrantee management of the awarded grant funds (including expenditures for equipment, training, and exercises), and physically inspected some of the equipment procured with the grant funds.

We conducted the audit between December 2009 and April 2010, according to *Government Auditing Standards* as prescribed by the Comptroller General of the United States (Yellow Book-2007 Revision). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions, based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions, based on our audit objectives.

Although this audit included a review of costs claimed, we did not perform a financial audit of those costs. This was a performance audit as defined by Chapter 1 of the *Government Auditing Standards*, and included a review and report of program activities with a compliance element. Regis and Associates PC was 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, Regis and Associates PC was neither required to review, nor expressed an opinion on, the costs claimed for the grant programs included in the scope of the audit. Had Regis and Associates PC been required to perform additional procedures, or conduct 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 Oklahoma.

While the audit was performed and the report was prepared under contract, the audit results are being reported by the DHS Office of Inspector General to appropriate FEMA and State of Oklahoma officials.

## Appendix B Management Comments to the Draft Report

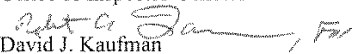
---

U.S. Department of Homeland Security  
Washington, DC 20472



SEP 14 2011

MEMORANDUM FOR: Anne L. Richards  
Assistant Inspector General for Audits  
Office of Inspector General

FROM:   
David J. Kaufman  
Director  
Office of Policy and Program Analysis

SUBJECT: FEMA's Response to OIG Draft Report, *The State of Oklahoma's Management of State Homeland Security Program Grants Awarded During Fiscal Years 2006 through 2008*

Thank you for the opportunity for the Federal Emergency Management Agency (FEMA) to comment on the subject draft report. The findings in the report will be used to strengthen the effectiveness and efficiency of how we execute and measure our programs. We recognize the need to continue to improve the process, including addressing the recommendations raised in this report. Our responses to the recommendations are as follows:

**OIG Recommendation #1:** We recommend that the Assistant Administrator, Grant Programs Directorate (GPD), require the Director of the Oklahoma Office of Homeland Security to develop and implement policies and procedures to document, retain, and utilize the results of performance monitoring.

**FEMA Response:** FEMA concurs with the recommendation. The State of Oklahoma currently has established monitoring procedures; however, FEMA will request that the Oklahoma Office of Homeland Security (OKOHS) submit a revised Homeland Security Grant Program monitoring policy to their GPD Program Analyst within 90 days of the receipt of the final report via the grantee notification. The updated policy should include:

- a.) More formalized and robust methods for tracking progress made by sub grantees towards the completion of projects in order to ensure that the goals and timelines of the projects are being met. (The state should communicate the reporting expectations of their

## Appendix B

### Management Comments to the Draft Report

---

sub grantees through the sub award agreement in order to ensure that the state's monitoring is well informed on a regular and consistent basis.)

- b.) Procedures for documenting the results of the prescribed performance monitoring,
- c.) Policies for the retention of the results found during the performance monitoring, and
- d.) Policies regarding the utilization of the results gathered through the implementation of the performance monitoring. The results of the performance monitoring may be used to evaluate the progress made towards the completion of programmatic goals and objectives at the state and local level and to inform future funding priorities.

FEMA will work with OKOHS to review its newly developed programmatic monitoring protocols to ensure programmatic performance is being adequately tracked by the state. FEMA believes this satisfies the intent of the recommendation and requests that this recommendation remain resolved and open.

Again, we thank you for the opportunity to review and comment on your draft report which contains recommendations aimed at improving the efficiency of our agency. Should you have further questions regarding our response, please do not hesitate to call FEMA's Chief Audit Liaison, Brad Shefka, at 202-646-1308.

## Appendix B

### Management Comments to the Draft Report

---

KIM EDD CARTER  
DIRECTOR



MARY FALLIN  
GOVERNOR

#### STATE OF OKLAHOMA OFFICE OF HOMELAND SECURITY

September 14, 2011

Mr. Lateef A. Abassi  
Regis Associates, P.C.  
1400 Eye Street, NW, Suite 425  
Washington, D.C. 20005

Re: FY 2006-2008 OIG Draft Audit Report dated August 2011; State Homeland Security and Urban Area Security Grant Programs

Dear Mr. Abassi:

Thank you for the opportunity to review and comment on the Office of Inspector General (OIG) draft audit report. We appreciate the constructive nature of your comments and the professionalism with which Regis Associates' staff conducted its business throughout this process.

We agree with the Recommendation included in the draft report. OKOHS can and should do a better job of documenting performance monitoring activity, and we are committed to improving in this area. As you know, OKOHS has historically taken a project based approach to the use of grant funding. Projects with the greatest threat/vulnerability receive most of the funding. Our projects fit within one of nine program areas tracking the investment justification framework established by FEMA/DHS. Program Managers are assigned to each project and are responsible for monitoring performance of individual projects (grants) with the objective of gaining a better understanding of overall statewide progress that will ultimately allow us to achieve a higher level of preparedness.

Based on your input we intend to increase our efforts to improve all aspects of performance monitoring. For example, we have recently filled our vacant Regional Response System (RRS) Coordinator position. This individual has begun the process of visiting each recipient of RRS equipment with intent to document what is working well, what is not working, and what is needed to maintain the integrity of the Regional Response System. Part of this process will be to memorialize the effective uses of RRS equipment and lessons learned over the past seven plus years.

Each OKOHS sub-awardee is currently required to provide periodic feedback to our office in the form of a Quarterly Progress Report (QSR). Based on the OIG Recommendation, it is our intent to modify the current OKOHS Quarterly Status Report format to include additional questions about the specific uses of grant funded equipment during the prior calendar quarter. We will also include a request that any after action reports created in connection with use of such equipment (whether related to an exercise or an actual event) be attached to the QSR.

P.O. Box 11415 Oklahoma City, OK 73136-0415 PHONE 405/ 425-7296 FAX 405/ 425-7295 [www.homelandsecurity.ok.gov](http://www.homelandsecurity.ok.gov)

## Appendix B

### Management Comments to the Draft Report

---

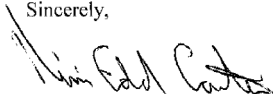
Mr. Lateef A. Abassi  
Regis Associates, P.C.  
September 14, 2011  
Page 2

In addition we will amend our regular site monitoring procedures to prompt OKOHS monitoring personnel to explore and document ways in which grant funded expenditures have improved individual sub-awardee's ability to accomplish the goals associated with the particular grant. We will also continue to encourage our Program Managers to stay actively engaged (via telephone, association/ and or Regional Council conferences/meetings and site visits) with stakeholders throughout the State and to better document ongoing progress and lessons learned. We plan to refine our Project Charters to provide a written framework for Program Managers to document the status of major projects and to communicate progress with senior management on a regular basis.

We acknowledge that prior to your field work some of the equipment purchased with OKOHS/DHS funding was not appropriately marked as having been purchased with FEMA/Department of Homeland Security funding. During the course of your field work, we took steps to remind our sub-awardees of the need to place stickers on DHS funded equipment where practical and we provided attachable stickers to our sub-awardees as needed. Verification of markings is now a routine part of our on-site monitoring process and we understand that you are satisfied that this shortcoming has been corrected.

In closing, I would like to commend your staff for their professionalism during this audit, and I hope they were treated professionally by the Oklahoma Office of Homeland Security. Please do not hesitate to contact me if any further information is needed.

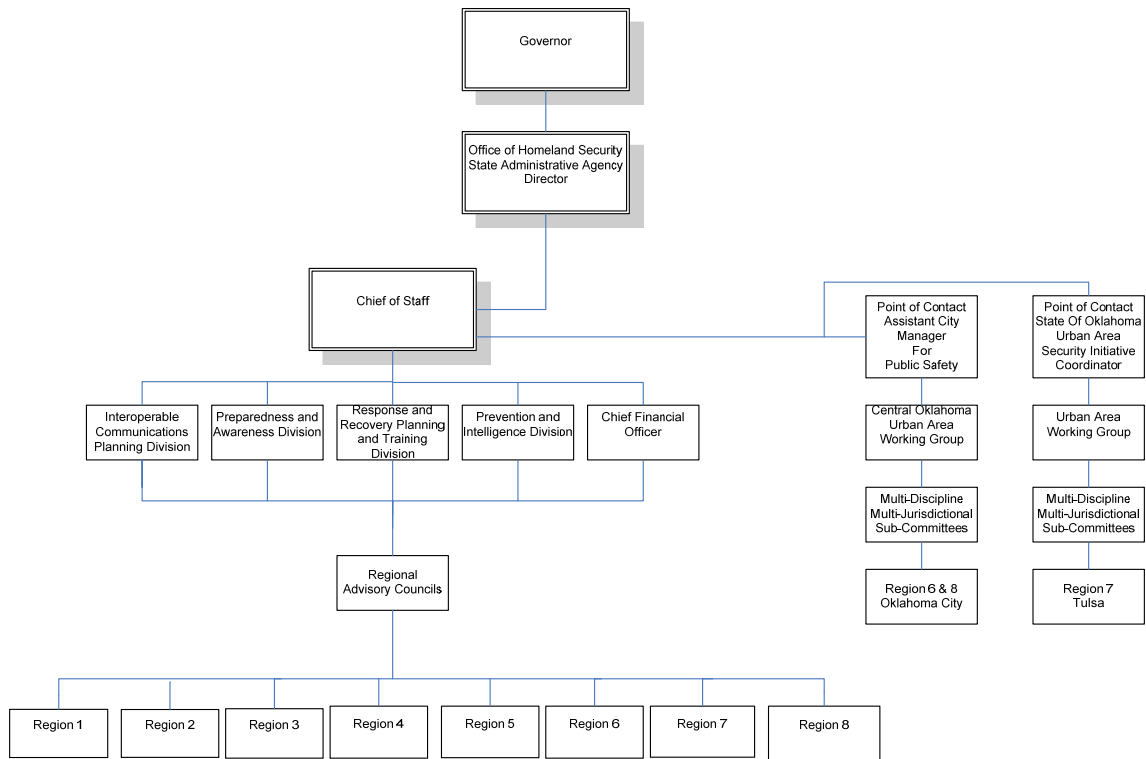
Sincerely,



Kim Edd Carter  
Director

**Appendix C  
Organization Chart**

**Oklahoma Office of Homeland Security**



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

---

**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  
Federal Emergency Management Agency Audit Liaison  
Grant Programs Directorate Audit Liaison

**Office of Management and Budget**

Chief, Homeland Security Branch  
DHS OIG Budget Examiner

**Congress**

Congressional Oversight and Appropriations Committees, as appropriate



