

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

The State of Florida's Management of State
Homeland Security Program and Urban
Areas Security Initiative Grants Awarded
During Fiscal Years 2007 through 2009



Office of Inspector General

U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

NOV 23 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 State of Florida's management of State Homeland Security Program and Urban Areas Security Initiative grants. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The recommendations herein have been developed to the best knowledge available to our office, and have 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, reading "Anne L. Richards".

Anne L. Richards
Assistant Inspector General for Audits

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Abbreviations

DHS	Department of Homeland Security
FEMA	Federal Emergency Management Agency
FY	fiscal year
OIG	Office of Inspector General
SAA	State Administrative Agency
SHSP	State Homeland Security Program
UASI	Urban Areas Security Initiative
USAR	Urban Search and Rescue

OIG

*Department of Homeland Security
Office of Inspector General*

Executive Summary

Public Law 110-53, *Implementing Recommendations of the 9/11 Commission Act of 2007*, requires the Department of Homeland Security Office of Inspector General to audit individual states' management of State Homeland Security Program and Urban Areas Security Initiative grants. This report responds to the reporting requirement for the State of Florida.

The objectives of the audit were to determine whether the State of Florida distributed and spent State Homeland Security Program and Urban Areas Security Initiative grant funds effectively and efficiently and in compliance with applicable federal laws and regulations. We also assessed the extent to which grant funds enhanced the State of Florida's ability to prevent, prepare for, protect against, and respond to natural disasters, acts of terrorism, and other manmade disasters. The audit included a review of approximately \$208 million in State Homeland Security Program and Urban Areas Security Initiative grants awarded to Florida during fiscal years 2007 through 2009.

Generally, the State of Florida administered grant program requirements effectively and efficiently and in compliance with grant guidance and regulations. The State of Florida's strategic plans linked goals and objectives to national priorities and Department of Homeland Security mission areas. Grant funds were spent on allowable items and activities, and adequate controls existed over the approval of expenditures and reimbursement of funds. We also identified one innovative practice related to preparedness measurement.

However, improvements are needed in subawards to local jurisdictions, timeliness of grant fund obligations and expenditures, measureable goals and objectives, and sustainability of local projects. We made six recommendations to the Federal Emergency Management Agency that, if implemented, should 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 Department of Homeland Security (DHS) provides federal funding through the Homeland Security Grant Program to help state and local agencies enhance capabilities to prevent, deter, respond to, and recover from terrorist attacks, major disasters, and other emergencies. See appendix C for additional details regarding the Homeland Security Grant Program.

The governor of the State of Florida designated the Florida Division of Emergency Management as the State Administrative Agency (SAA). The SAA is responsible for managing the grant programs in accordance with established federal guidelines and allocating funds to local, regional, and other state government agencies. The SAA subawarded Homeland Security Grant Program funds to five urban areas, seven regions, and various state agencies. Florida's five urban areas are illustrated in appendix D.

The State received approximately \$208 million in Homeland Security grant funds through fiscal years (FYs) 2007, 2008, and 2009. This included approximately \$97 million in State Homeland Security Program (SHSP) funds and approximately \$111 million in Urban Areas Security Initiative (UASI) grant funds. Appendix A provides details on the purpose, scope, and methodology for this audit.

Results of Audit

The State of Florida's Management Practices Were Generally Effective, but Require Some Improvements

Generally, the State of Florida (State) did an efficient and effective job of administering program requirements in accordance with grant guidance and regulations. The State developed written procedures and protocols for the administration of the grant program, and implemented internal controls for the approval of expenditures and reimbursement of funds. The State also developed strategies that linked goals and objectives to the four mission areas and eight National Priorities established by DHS.

However, improvements in the following areas are needed to enhance the State's management of the grants:

- Funds subawarded to local jurisdictions
- Timeliness of grant fund obligations and expenditures

-
- Measureable goals and objectives
 - Sustainability of local projects

Subawards to Local Jurisdictions

The State did not adequately calculate and award SHSP funds designated for local jurisdictions in the 2009 grant year as required by grant guidance. The State combined UASI and SHSP funds and from the total, allocated 80% to local jurisdictions. Based on its calculations, the State reported that \$10,759,279 (15%) of SHSP and UASI funds was kept by the State, and that \$58,706,771 (85%) was obligated to local recipients. However, in actuality, the State obligated only \$24,410,915 (71.6%) of the \$34,109,500 SHSP award.

The Federal Emergency Management Agency's (FEMA) program guidance for the FY 2009 Homeland Security Grant Program states that the SAA must obligate at least 80% of the funds awarded under SHSP and UASI separately to local units of government within 45 days of receipt of the funds. According to the State, it misinterpreted FEMA's guidance and as a result combined the funds to meet the 80% requirement rather than ensuring that at least 80% of SHSP funds were awarded to local jurisdictions. The difference between what was provided to local jurisdictions from SHSP funds and what should have been provided is approximately \$2.9 million. Local jurisdictions could have used these additional funds to complete critical projects that further prepare, prevent, deter, and respond to terrorist attacks, chemical/biological incidents, or natural disasters.

Recommendations

We recommend that the Assistant Administrator, Grant Programs Directorate:

Recommendation #1: Ensure that the State understands the grant guidance as it relates to subawarding funds to local jurisdictions.

Recommendation #2: Direct the State to award the remaining \$2.9 million of 2009 SHSP funds to local jurisdictions.

Management Comments and OIG Analysis

FEMA concurred with recommendation 1 and with the intent of recommendation 2. Within 90 days of its response, FEMA will contact the Florida Department of Emergency Management to ensure the State understands pass through requirements. In

addition, FEMA will review the State's process for calculating the pass-through amount and require the state to comply with program requirements.

The Florida Department of Emergency Management indicated that there was no distinction in the FY 2009 Homeland Security Grant Program Guidance and Application Kit that the SHSP and UASI programs should be separate in the 80/20 split calculation. The State indicated 100% of 2009 SHSP funds are already obligated via cost reimbursement subgrantee agreements.

The corrective actions proposed by FEMA meet the intent of the recommendations. If properly implemented, the actions identified in the responses should address the conditions identified during the audit. These recommendations are considered resolved and open, pending final implementation of the proposed corrective actions.

Timeliness of Grant Fund Obligations and Expenditures

Obligation of Grant Funds

The State did not obligate grant funds promptly. For grant years 2007 and 2008, the State did not issue award letters to subgrantees. It relied on its process to review and approve projects to be funded by SHSP grant funds as notification to SHSP subgrantees that funds had been obligated. (See appendix E for Florida's funding process.) The State indicated that since 2002, a FEMA representative has determined that this process was sufficient to meet its obligation requirement.

FEMA's program guidance for the Homeland Security Grant Program requires that no less than 80% of the total grant funds available to local units of government be obligated by the State within 60 days of receipt of funds for FY 2007 and within 45 days for FYs 2008 and 2009. In addition, FEMA strongly encourages the timely obligation of funds from local units of government to other subgrantees. FEMA grant guidance states that four requirements must be met to obligate grant funds:

- There must be some action to establish a firm commitment on the part of the awarding entity.
- The subaward must be unconditional on the part of the awarding entity.
- There must be documentary evidence of the commitment.
- The award terms must be communicated to the official grantee.

These grant requirements were not met in grant years FY 2007 and FY 2008. Without obligation notifications, the subgrantees indicated that they generally considered the grant contract execution date as the date funds were obligated. However, because grant contracts and agreements must go through many levels of state and local review in some instances, grant contracts were executed more than 400 days after the State's award date.

For FY 2009, the State began to send letters of intent to obligate funds. However, turnover in the State's legal department delayed award letters. We determined that the State obligated funds approximately 44 to 101 days after the required 45-day limit had passed (see table 1).

Table 1. Comparison of Florida's FY 2009 Award Date to Subgrantee's Obligation Dates

Subgrantee	Florida's Award Date	Obligation Date	Days to Obligate
Jacksonville UASI	8/21/2009	11/18/2009	89 days
Tampa UASI	8/21/2009	11/18/2009	89 days
Miami UASI	8/21/2009	01/14/2010	146 days
Ft. Lauderdale UASI	8/21/2009	11/18/2009	89 days
Department of Education	8/21/2009	11/19/2009	90 days
Department of Health	8/21/2009	12/03/2009	104 days
Department of Agriculture	8/21/2009	12/01/2009	102 days
Department of Law Enforcement	8/21/2009	11/19/2009	90 days

Note: "Obligation date" is based on information provided by selected subgrantees either through award letters or notification emails. Some subgrantees did not have information related to their grant obligations.

Expenditure of Grant Funds

Grant funds were not timely available for expenditure by subgrantees. We determined that on average it took 182 days for funds to be available to subgrantees. The delay in receipt of funds is attributed to the State's lengthy approval process. Florida state law prohibits the subgrantees from expending any grant funds until they receive a fully executed grant agreement.

Once the State receives the grant award notice from FEMA, it begins to draft grant agreements for each SHSP project selected for funding and for each UASI. The State begins by drafting the scope of work for each agreement. Next, the agreements are sent to the State's legal department

for review and approval. Once approved, the agreements, along with the award letters, are sent to the subgrantees.

Each subgrantee must follow its respective processes for review and signature of the grant agreements. These processes vary depending on the city or county. For example, at the Tampa UASI, the grant official sends both the award letter and the grant agreement to the City of Tampa’s Council (which meets only twice a month) for approval. After receiving the City Council’s approval, the grant agreement is sent to the Mayor for signature, and then back to the State for signature. Each of these individual steps at the local jurisdiction can take one month on average to accomplish.

At the State, the signed agreement undergoes a quality assurance review by both the finance and accounting section and the legal department. Once the quality review is complete, the agreement is returned to the finance and accounting grants section for encumbrance. The agreement is then prepared for final execution and signature by the SAA’s Division Director. Finally, a fully executed copy of the agreement is mailed to the subgrantees.

The State attributed delays in the preparation of the grant agreements to extensive turnover of staff within its legal department during the FY 2009 grant period. State officials also said that they provide a dollar amount that each subgrantee can expect to receive prior to the full execution of the grant agreements. The State believes that this notification complies with FEMA’s timeframes for obligating grant funds. However, subgrantees were instructed per the grant agreements to delay using grant funds until they received the fully executed grant agreements from the State. Table 2 illustrates the time it took for subgrantee agreements to be fully executed in FY 2009.

Table 2. Comparison of Subgrantee FY 2009 Obligation Dates to Date of Fully Executed Agreements

Subgrantee	Obligation Date	Date Agreement Fully Executed	Days to Execute
Jacksonville UASI	11/18/2009	04/08/2010	141 days
Tampa UASI	11/18/2009	04/14/2010	147 days
Miami UASI	01/14/2010	11/24/2010	314 days
Ft. Lauderdale UASI	11/18/2009	07/29/2010	253 days
Department of Education	11/19/2009	04/28/2010	160 days
Department of Health	12/03/2009	07/27/2010	236 days
Department of Agriculture	12/01/2009	020/1/2010	62 days
Department of Law Enforcement	11/19/2009	04/07/2010	139 days

The delays in obtaining funds to procure goods and services have resulted in a large percentage of grant funds remaining unused within the 3-year performance period, making it necessary for the SAA to request grant extensions from FEMA or risk losing the funds. Table 3 illustrates the percentage of grant awards as of September 30, 2010, that had not been drawn down by the SAA for the grants awarded during FYs 2007–2009.

Table 3. Florida Homeland Security Grant Program Drawdowns as of September 30, 2010

Grant Year	Date of FEMA Award	Total Grant Award	Total Drawdowns	Undrawn Balance	Percentage Undrawn
2007	8/09/2007	\$84,742,600	\$57,613,272	\$27,129,328	32%
2008	8/25/2008	\$77,483,211	\$28,461,684	\$49,021,527	63%
2009	8/21/2009	\$72,345,392	\$2,138,613	\$70,206,779	97%

The SAA’s lengthy obligation process restricted the subgrantees’ ability to effectively plan and caused delays in expending grant funds, required grant extensions, and may have caused delays in expending future year grant funds.

Recommendation

We recommend that the Assistant Administrator, Grant Programs Directorate, require the Director of the Florida Department of Emergency Management to—

Recommendation #3: Review its grant obligating process to identify ways to shorten the time needed to meet grant requirements.

Management Comments and OIG Analysis

FEMA concurred with the intent of recommendation 3. Within 90 days of the final report, FEMA will require the Director of the Florida Department of Emergency Management to conduct a review of the state's grant obligation process to identify efficiencies to shorten the time required to obligate grant funding to subgrantees.

The Florida Division of Emergency Management plans to take this recommendation under consideration as it works towards the enhancement of the grant obligation process given a minimal staffing capacity.

The FEMA and Florida Department of Emergency Management responses include positive steps for implementing the recommendation. However, until a firm timetable for implementing the recommendation is provided, this recommendation will remain unresolved and open.

Establishing Measureable Goals and Objectives

The Florida Domestic Security Strategic Plan's goals and objectives do not provide an adequate basis for measuring improvements in the State's preparedness and response capabilities. The State measures the progress of individual projects funded by the Homeland Security Grant Program through an analysis of the percentage of funds expended. However, the State has not developed a baseline from which it can measure improvements. Also, its strategic goals and objectives do not provide sufficient information for measuring improvements to the State's overall level of preparedness.

For example, the State's second objective under the Recovery goal is to ensure that sufficient lifeline services are available to safely support ongoing recovery activities. To meet this objective, the State lists the following implementation steps: (1) support local health care systems, agencies, and providers to develop continuity of operations plans; (2) work with communities to explore mitigation options for lifeline systems; and (3) coordinate debris removal and cleanup within impacted communities. Although the implementation steps provide additional information to help achieve the objective, they do not provide measurable standards for comparison, are not results-oriented to identify a specific outcome, and do not identify target dates for completion.

DHS's *State and Urban Area Homeland Security Strategy, Guidance on Aligning Strategies with the National Preparedness Goal*, dated July 22, 2005, states that the SAA or Urban Area Working Group should assess the strategy's objectives to determine whether the measures are meaningful, the measurement methodology is sound, and the measures can be verified with reliable data. In addition, federal regulations for monitoring and reporting program performance require grantees to monitor grant- and subgrant-supported activities to assure that performance goals are being achieved.¹

The State and FEMA do not know what measurable progress is being made to improve preparedness and response capability or the amount of

¹ 44 C.F.R. §13.40(a).

additional funding and time that may be needed to ultimately achieve the goals and objectives.

The State acknowledged the strategic plan's lack of useful tools for measuring performance, but pointed out two mitigating factors: (1) FEMA approved the current strategies, including the existing performance measures, and (2) the State has been waiting for some time for promised FEMA assistance in developing useful performance measures. State officials recognized the importance and value of useful performance measures to gauge progress and help guide funding decisions. Thus, the State plans to hire a consultant to evaluate its process for selecting projects and help determine the best method for the State to measure its overall preparedness.

Recommendation

We recommend that the Assistant Administrator, Grant Programs Directorate, require the Director of the Florida Department of Emergency Management to—

Recommendation #4: Update its strategic plans to include goals and objectives that are specific, measurable, achievable, results oriented, and time limited.

Management Comments and OIG Analysis

FEMA concurred with the intent of recommendation 4. FEMA is revising the guidance and the content of the Homeland Security strategy, which is anticipated for release in the fall of 2011. The Preparedness Grants Division will require the Florida Department of Emergency Management to update their Strategy and comply with revised Homeland Security strategy guidelines.

The Florida Department of Emergency Management stated the Florida Domestic Security Strategic Plan was just recently updated and approved by the Domestic Security Oversight Council, and that the plan has been sent to FEMA for approval.

The FEMA and Florida Department of Emergency Management responses include positive steps for implementing the recommendation. However, until a firm timetable for implementing the recommendation is provided, this recommendation will remain unresolved and open.

Sustainability of Local Projects

The State does not have contingency plans for some SHSP-funded projects in the event that federal funding is not available in the future. FEMA guidance does not require states to have contingency plans for SHSP- and UASI-funded projects and allows states to fund project sustainment costs with grant funds. Sustainability is a critical factor that will impact the State's overall preparedness capabilities. The State places little emphasis on sustainability as a ranking factor when prioritizing SHSP projects. As a result, the long-term sustainment of capabilities and the completion of projects funded by multiyear contracts may be in jeopardy if future federal funding is not available or is significantly reduced.

We reviewed 28 funded projects (15 UASI and 13 SHSP). All 15 UASI-funded projects included a description of other funding sources available or provided plans to obtain funding through other sources. However, approximately 54% (7 of 13) of SHSP-funded project templates reviewed indicated that if grant funds were not available, funding could not be assured and local funds could not be used to sustain the project (see table 4).

Table 4. SHSP Projects without Sustainability

Project Name	Grant Year	Funding	Recipient
Sustainment of State Agriculture Response Teams	2007	\$ 200,000	Department of Agriculture
Sustainment of Equipment for Urban Search and Rescue (USAR)	2007	\$ 1,408,010	Fire and Rescue
Sustainment of Training	2007	\$ 1,828,621	Fire and Rescue
Florida Interoperable Network	2007	\$ 2,500,000	Department of Management
Sustainment of Equipment for USAR	2008	\$ 1,434,687	Fire and Rescue
Sustainment of Training	2008	\$ 1,956,477	Fire and Rescue
Sustainment of Equipment for USAR	2009	\$ 1,827,461	Fire and Rescue
Total		\$ 11,155,256	

A closer review of these seven SHSP projects revealed that they funded sustainment costs for other ongoing projects. FEMA guidance allows states to fund project sustainment costs and generally does not require that they identify contingency plans for SHSP- and UASI-funded projects.

Although the State's funding process includes reviews of proposed projects by both local and state groups to identify those projects that best address the disciplines' needs and capability gaps, the State does not require that sustainability be heavily considered when ranking projects for

funding. For a detailed description of the State's Domestic Security funding process, see appendix E.

Without direction from the State, there is no assurance that the review groups will consider sustainability as a ranking factor when prioritizing SHSP projects. The long-term sustainment of capabilities and the completion of projects funded by multiyear contracts may be in jeopardy if future federal funding is not available or significantly reduced.

Recommendations

We recommend that the Assistant Administrator, Grant Programs Directorate, require the Director of the Florida Department of Emergency Management to—

Recommendation #5: Review long-term and sustainment projects to ensure that they include contingency plans should federal funding be reduced or eliminated.

Recommendation #6: Ensure that local funding committees place greater emphasis on sustainability when prioritizing projects for SHSP funding.

Management Comments and OIG Analysis

FEMA concurred with the intent of recommendation 5. FEMA will require, within 180 days of receipt of the final report, the Director of the Florida Department of Emergency Management to develop a future funding plan that would provide for the continuance of critical projects without long term dependency on federal grant funding.

FEMA concurred with the intent of recommendation 6. FEMA will recommend that the State of Florida work with local jurisdictions receiving funding to develop a future funding plan that would provide for the continuance of critical projects without long-term dependency on federal grant funding. FEMA will follow-up with the State within 180 days of the final report and request additional information on its future funding plan.

The Florida Department of Emergency Management indicated that, per the 2012 Domestic Security Rules of Engagement, it has satisfied this recommendation.

The FEMA and Florida Department of Emergency Management responses include positive steps for implementing the recommendation. However, until a firm timetable for implementing the recommendation is provided, these recommendations will remain unresolved and open.

Innovative Practice—Measuring Preparedness

The Jacksonville UASI measures improvements in preparedness by evaluating their capabilities through gap analyses that are based on measured outcomes and an assessment of future needs.

The Jacksonville UASI conducts an annual Gap Analysis that provides up-to-date information on the UASI's current state of preparedness based on funding allocations. The Gap Analysis process measures progress through readiness indicators (target capabilities list) and quantifiable data (i.e., spending trends) to identify gaps in planning, training, exercise, and equipment. Each year, the UASI Urban Area Working Group Strategy and Initiatives Committee prioritizes the target capability list utilizing a tier system based on risk to the urban area. The prioritization results are then implemented immediately and incorporated into the Jacksonville UASI project worksheets and project scoring sheets for the next grant cycle processes.

In addition, the Gap Analysis process includes capability-based planning sessions, held by the Strategy and Initiatives Committee staff, to measure target capabilities and implementation tasks from the Jacksonville UASI Strategy. Each goal, objective, and implementation task is measured by Metropolitan Statistical Area completion percentages (0%, 25%, 50%, 75%, and 100%) based on risks to the urban area.

Through this process, the Jacksonville UASI can identify gaps by assessing and cataloging the risks faced by the UASI and the capabilities it has or will need to mitigate those risks. The gap between the risk and the capabilities will determine the UASI's homeland security needs going forward and should form the basis for funding allocation.

Appendix A
Purpose, Scope, and Methodology

The purpose of the audit was to determine whether the State of Florida distributed and spent State Homeland Security Program and Urban Areas Security Initiative grant funds effectively and efficiently and in compliance with laws, regulations, and guidance. In addition, we assessed the extent to which grant funds enhanced the State’s ability to prevent, prepare for, protect against, and respond to natural disasters, acts of terrorism, and other manmade disasters.

The entire Homeland Security Grant Program and its five interrelated grant programs fund a range of preparedness activities, including planning, organization, equipment purchase, training, exercises, and management and administration costs. Because of the interrelationship of these grant programs, all were considered when evaluating the planning cycle and the effectiveness of the overall grant program. However, only State Homeland Security Program and Urban Areas Security Initiative funding equipment and programs supported by the grant funding were reviewed for compliance. Appendix C provides additional information on these grant programs.

Table 5. Homeland Security Grant Program Awards FYs 2007 through 2009				
Program	FY 2007	FY 2008	FY 2009	Total
State Homeland Security	\$25,460,000	\$37,090,000	\$34,109,500	\$96,659,500
Urban Areas Security Initiative	\$38,670,000	\$37,509,500	\$35,356,550	\$111,536,050
Subtotal	\$64,130,000	\$74,599,500	\$69,466,050	\$208,195,550
Law Enforcement Terrorism Prevention	\$18,180,000	N/A	N/A	\$18,180,000
Citizen Corps	\$625,584	\$635,164	\$630,795	\$1,891,543
Metropolitan Medical Response System	\$1,807,016	\$2,248,547	\$2,248,547	\$6,304,110
Total	\$84,742,600	\$77,483,211	\$72,345,392	\$234,571,203

Source: Federal Emergency Management Agency.

The audit methodology included interviews with FEMA representatives as well as work at the SAA, all five urban areas that received 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

Appendix A

Purpose, Scope, and Methodology

in the management and administration of the State's Homeland Security Grant Programs. We conducted site visits and held discussions with appropriate officials from selected state agencies, urban areas, and local jurisdictions in order to determine whether program grant funds were expended in accordance with grant requirements and State-established priorities.

In addition to the SAA, we contacted the following 18 subgrantee organizations:

Urban Areas Security Initiative Recipients

- Ft. Lauderdale
- Jacksonville
- Miami
- Orlando
- Tampa

State Agencies

- Department of Agriculture
- Department of Education
- Department of Financial Services–State Fire Marshal
- Department of Health
- Department of Law Enforcement
- Department of Management Services

Counties

- Hillsborough County Sheriff's Office
- Miami-Dade County Emergency Management
- Orange County Sheriff's Office

Local Jurisdictions and First Responders

- City of Delray Beach
- City of Ft. Myers
- City of Miami Urban Search and Rescue
- Tampa Police Department

We interviewed responsible officials, reviewed documentation supporting SAA and subgrantee management of the awarded grant funds (including expenditures for equipment, training, and exercises), and physically inspected judgmentally selected equipment procured with the grant funds.

We reviewed a judgmental sample of the grants expenditures representing approximately 27% of the dollar value expended for

Appendix A
Purpose, Scope, and Methodology

the FY 2007–2009 grants to determine whether the expenditures were supported and allowable under the grants. We judgmentally chose specific equipment items to observe at the local sites where they reside.

We conducted this performance audit between October 2010 and March 2011 pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. 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 upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.

Appendix B
Management Comments to the Draft Report


U.S. Department of Homeland Security
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FEMA

SEP 13 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: Response to Draft OIG Report: *The State of Florida's Management of State Homeland Security Program and Urban Areas Security Initiatives Grants Awarded during Fiscal Years 2007 through 2009*

The Federal Emergency Management Agency (FEMA) appreciates the Department of Homeland Security's (DHS) Office of Inspector General's (OIG) review of the *State of Florida's Management of State Homeland Security Program (SHSP) and Urban Areas Security Initiatives (UASI) Grants Awarded during Fiscal Years 2007 through 2009*. Below, you will find our response to each of your six recommendations aimed at program improvement.

OIG Recommendation #1: We recommend that the Assistant Administrator, Grant Programs Directorate (GPD) ensure that the State understands the grant guidance as it relates to subawarding funds to local jurisdictions.

FEMA Response to Recommendation #1: FEMA concurs with this recommendation. Within 90 days of delivery of this response, FEMA will contact the Florida Department of Emergency Management to ensure the State understands pass-through requirements. FEMA requests that this recommendation be resolved and open, pending the outcome of discussions with Florida.

OIG Recommendation #2: We recommend that the Assistant Administrator, Grant Programs Directorate direct the State to award the remaining \$2.9 million of 2009 SHSP funds to local jurisdictions.

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Appendix B

Management Comments to the Draft Report

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FEMA Response to Recommendation #2: FEMA concurs with the intent of this recommendation. Within 90 days of delivery of this response, FEMA will review Florida's process for calculating the pass-through amount and require Florida to comply with program requirements. FEMA requests that this recommendation be resolved and open, pending the review and implementation of any corrective action.

OIG Recommendation #3: We recommend that the Assistant Administrator, Grant Programs Directorate, require the Director of the Florida Department of Emergency Management to review its grant obligating process to identify ways to shorten the time needed to meet grant requirements.

FEMA Response to Recommendation #3: FEMA concurs with the intent of this recommendation. Within 90 days of receipt of the final report via grantee notification letter, the Director of the Florida Department of Emergency Management is required to conduct a review of the state's grant obligation process to identify efficiencies to shorten the time required to obligate grant funding to sub-grantees. FEMA requests that this recommendation be resolved and open, pending the review and implementation of any identified process adjustments.

OIG Recommendation #4: We recommend that the Assistant Administrator, Grant Programs Directorate, require the Director of the Florida Department of Emergency Management update its strategic plans to include goals and objectives that are specific, measurable, achievable, results oriented, and time limited.

FEMA Response to Recommendation #4: FEMA concurs with the intent of this recommendation. The National Preparedness Directorate (NPD), the FEMA entity responsible for the homeland security strategy (HSS) and its guidance, is revising the guidance and the content of HSS, which is anticipated for release in fall of 2011 in advance of the FY 2012 Homeland Security Grant Program (HSGP) application cycle. The Preparedness Grants Division (PGD) within FEMA's GPD will require the Director of the Florida Division of Emergency Management to revise Florida's HSS to comply with the revised guidelines developed by NPD. FEMA believes this satisfies the intent of the recommendation and requests that this recommendation be resolved and open, pending the revision of Florida's Homeland Security Strategy.

OIG Recommendation #5: We recommend that the Assistant Administrator, Grant Programs Directorate, require the Director of the Florida Department of Emergency Management to review long-term and sustainment projects to ensure that they include contingency plans should federal funding be reduced or eliminated.

FEMA Response to Recommendation #5: FEMA concurs with the intent of this recommendation. Florida is not in violation of regulations or grant requirements by not having a sustainment plan. The issue of long-term sustainment of initiatives is a cross-cutting issue that should be discussed at the highest levels of DHS.

FEMA suggests the following corrective action:
Within 180 days of receipt of the final report via grantee notification letter, the Director of the Florida Department of Emergency Management develop a future funding plan that would provide for the continuance of critical projects without long term dependency on federal grant funding.

Appendix B

Management Comments to the Draft Report

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FEMA believes this satisfies the intent of the recommendation and requests that this recommendation be resolved and open pending implementation of the stated corrective actions.

OIG Recommendation #6: We recommend that the Assistant Administrator, Grant Programs Directorate, require the Director of the Florida Department of Emergency Management ensure that local funding committees place greater emphasis on sustainability when prioritizing projects for SHSP funding.

FEMA Response to Recommendation #6: FEMA concurs with the intent of this recommendation. It is a sound and proactive business practice to develop options for the potential reduction and or change in priority for grant funded activities; therefore, it is recommended that the State of Florida work with local jurisdictions receiving funding to develop a future funding plan that would provide for the continuance of critical projects without long-term dependency on federal grant funding. FEMA is sensitive to the challenges this may present in the current economic climate. However, FEMA will follow-up with the State within 180 days of delivery of the final report via grantee notification letter and request additional information on its future funding plan.

We thank you for the opportunity to review and comment on the recommendations you have provided FEMA regarding this Draft Report. Should you have any questions concerning this response, please contact Brad Shefka, Chief Audit Liaison, 202-646-1308.

Appendix B Management Comments to the Draft Report



STATE OF FLORIDA DIVISION OF EMERGENCY MANAGEMENT

RICK SCOTT
Governor

BRYAN KOON
Director

August 1, 2011

Anne L Richards
U S Department of Homeland Security
Attn. Office of Inspector General
245 Murray Drive, SW, Bldg 410
Washington, DC 20538

Dear Ms. Richards:

The Florida Division of Emergency Management is in receipt of the *Draft Report: The State of Florida's Management of State Homeland Security Program and Urban Area Security Initiative Grants Awarded During Fiscal year 2007 through 2009 – For Official Use Only* dated June 20, 2011. Below you will find the requested comments to your recommendations.

Recommendation #1: *Ensure that the State understands the grant guidance as it relates to subawarding funds to local jurisdictions.*

Page 46 of the Fiscal Year 2009 Homeland Security Grant Program Guidance and Application Kit states: *The SAA must obligate at least 80 percent of the funds awarded under SHSP and UASI to local units of government within 45 days of receipt of the funds.* Please note there was no distinction that these two programs should be separate in the 80/20 split calculation. Furthermore, UASI and SHSP both fall under the HSGP umbrella and Page 46 also states: *The State's pass-through period must be met within 45 days of the award date for the HSGP.*

Recommendation # 2: *Direct the State to award the remaining \$2.9 million of 2009 SHSP funds to local jurisdictions.*

100% of the 2009 SHSP funds are already obligated via cost reimbursement sub grant agreements.

Recommendation #3: *Review its grant obligating process to identify ways to shorten the time needed to meet grant requirements.*

The Florida Division of Emergency Management will take this recommendation under consideration as we work towards the enhancement of the grant obligation process given a minimal staffing capacity.

Recommendation #4: *Update its strategic plans to include goals and objectives that are specific, measurable, achievable, results oriented, and time limited.*

Florida's Domestic Security Strategic Plan was just recently updated and approved by the Domestic Security Oversight Council. The plan has been sent to FEMA for approval.

Recommendation #5: *Review long-term and sustainment projects to ensure that they include contingency plans should federal funding be reduced or eliminated.*

Per the 2012 Domestic Security Rules of Engagement, we have satisfied this recommendation.

FLORIDA RECOVERY OFFICE • DIVISION HEADQUARTERS • STATE LOGISTICS RESPONSE CENTER
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Appendix B
Management Comments to the Draft Report

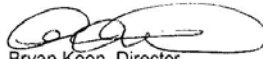
Ms. Anne L. Richards
August 1, 2011
Page Two

Recommendation #6: *Ensure that local funding committees place greater emphasis on sustainability when prioritizing projects for SHSP funding.*

Per the 2012 Domestic Security Rules of Engagement, we have satisfied this recommendation.

If you have any questions or require additional information, please contact Tina Quick, Community Program Administrator at 850-413-9974.

Respectfully,



Bryan Koon, Director
Division of Emergency Management

Appendix C

Homeland Security Grant Program Background

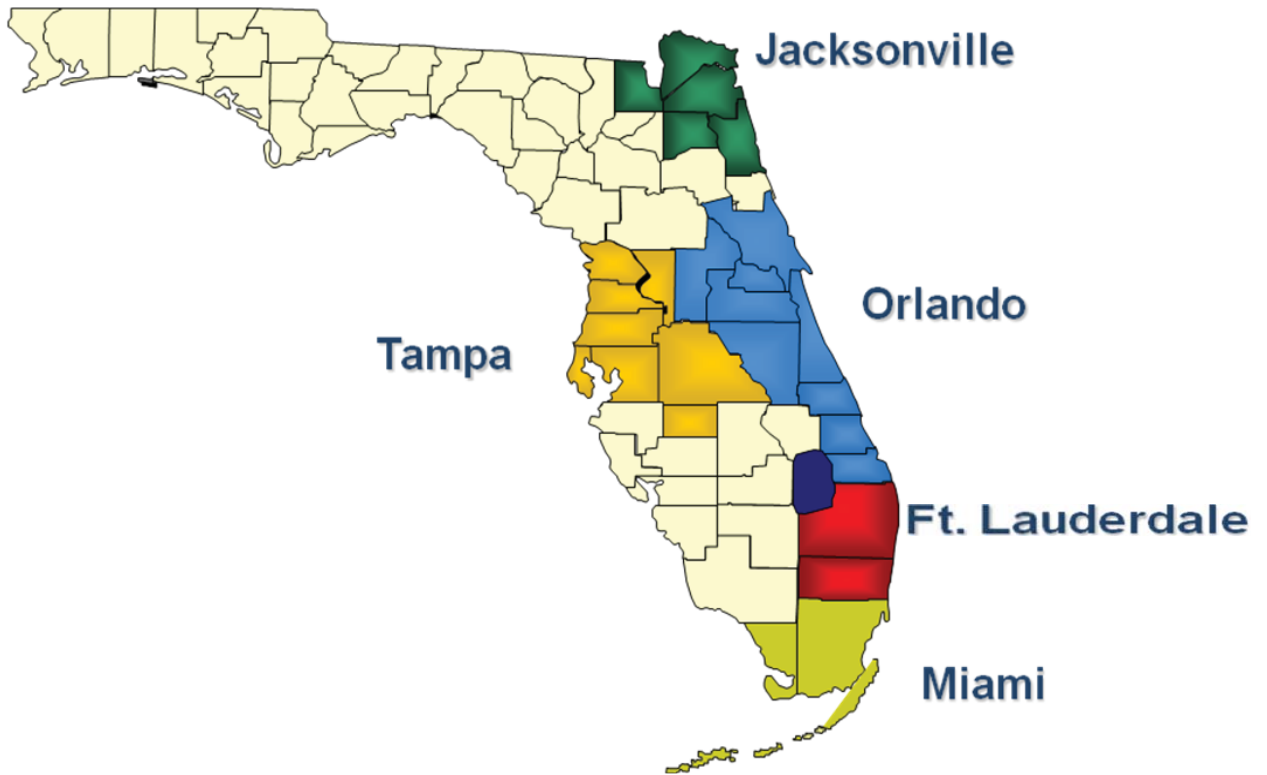
The Homeland Security Grant Program provides federal funding to help state and local agencies enhance their capabilities to prevent, deter, respond to, and recover from terrorist attacks, major disasters, and other emergencies. The Homeland Security Grant Program encompasses several interrelated federal grant programs that together fund a range of preparedness activities, including planning, organization, equipment purchase, training, and exercises, as well as management and administration costs. Programs include the following:

- **State Homeland Security Program** provides financial assistance directly to each of the states and territories to prevent, respond to, and recover from acts of terrorism and other catastrophic events. The program supports the implementation of the State Homeland Security Strategy to address the identified planning, equipment, training, and exercise needs.
- **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 in building an enhanced and sustainable capacity to prevent, respond to, and recover from threats or acts of terrorism and other disasters. Allowable costs for the urban areas are consistent with the State Homeland Security Program. Funding is expended based on the Urban Area Homeland Security Strategies.

In addition, the Homeland Security Grant Program includes other interrelated grant programs with similar purposes. Depending on the fiscal year, these include the following:

- Metropolitan Medical Response System
- Citizen Corps Program
- Law Enforcement Terrorism Prevention Program (through FY 2007)

Appendix D
Florida's Federally Designated Urban Areas



Source: Florida Department of Emergency Management.

Appendix E

Florida's State Homeland Security Program Funding Process

Florida developed a funding strategy and process that is fully integrated with its Domestic Security Strategy. The funding process is designed around the ten emergency preparedness disciplines of agriculture/environment, campus security, fire rescue, community health surge, emergency management, interoperable communications, law enforcement prevention, law enforcement response, medical surge, and public information. The funding process coordinates participation by several regional and statewide committees to recognize the unique needs of municipalities and counties statewide.

There are ten funding committees, one for each discipline with representation from each region, that develop project templates for grant fund consideration. Additionally, each Regional Domestic Security Task Force designates up to two members to represent the region; each Urban Area may designate one member; and state agencies may designate up to two members to represent them on the funding committees. The committees meet to discuss regional preparedness needs identified through capability assessments, and to ensure that the proposed project templates are based on preparedness needs in accordance with the Florida Domestic Security Strategic Plan. Once approved by the funding committees, the project templates are submitted to the SAA, which in turn provides them to a Peer Review panel and Voting Delegates for prioritization and voting.

The Peer Review panel is composed of one member from each of the ten disciplines for statewide representation and one spokesperson for the State's five UASIs. The SAA provides each peer review panel member with the proposed project templates, the regional gap analysis, the evaluation criteria, and a scoring sheet to document the panel's scores. For each proposed project template, the Peer Review panel considers elements such as previous funding, whether the template includes implementation steps and sustainability, and other project details. The Peer Review panel discusses its findings and develops scores and comments. The Peer Review panel's score determines 30% of each project's final score.

The Voting Delegates are 62 members, including members of the State Working Group Executive Board Unified Coordinating Group, the Regional Domestic Security Task Forces, and representatives of select disciplines. Although the Voting Delegates are not provided set criteria, the State indicated that they examine each project template for alignment with the Florida

Appendix E
Florida's State Homeland Security Program Funding Process

Domestic Security Strategic Plan, critical sustainment, viability, prior funding status, and project detail. Voting Delegates rank and prioritize projects and assign a score that accounts for 70% of the final score used for prioritizing all project templates. The prioritized list is submitted for approval to the State Working Group Executive Board and the Domestic Security Oversight Council, which consist of major department heads and advisory groups to Florida State Agencies.

The two groups review and approve the prioritized project list before they submit it to the Governor's office for approval. The requested budget, once signed by the Governor, is added to the appropriations bill, and the Florida Legislature approves the list. The application for federal grant funding is submitted to FEMA. When the award is received, if the amount is less than the requested amount, a "post-award" meeting is held to determine final allocation of funding for each project.

Appendix F
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Appendix G
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