



# AUDITOR GENERAL

DAVID W. MARTIN, CPA



## DEPARTMENT OF COMMUNITY AFFAIRS AND DIVISION OF EMERGENCY MANAGEMENT PROCUREMENT AND ASSET MANAGEMENT

Operational Audit

### SUMMARY

This audit of the Department of Community Affairs (Department) and the Division of Emergency Management (Division) focused primarily on procurement and tangible personal property. The audit included the period July 2005 through November 2007. Our audit disclosed that Department and Division operations could be improved as disclosed below:

**Finding No. 1:** Procurement records did not always include all required documentation needed to demonstrate compliance with competitive purchasing requirements specified in law.

**Finding No. 2:** The Division did not use competitive procurement methods to purchase catered food service for the State Emergency Operations Center (EOC).

**Finding No. 3:** Employees with vendor selection responsibilities were not required to attest in writing as to their independence and impartiality with respect to the entities evaluated and selected.

**Finding No. 4:** The Division did not assign two recently acquired vehicles in accordance with the applicable documentation filed to gain approvals for the purchase of the vehicles and did not provide for our review motor vehicle logs to account for the actual use of these vehicles.

**Finding No. 5:** The Department did not take sufficient actions to locate, and if applicable, report to an applicable law enforcement agency, tangible personal property not found during the annual physical inventories. The Division did not make available for our audit, records of its latest

annual physical inventory and lists of any missing property.

### BACKGROUND

The Department was created by Section 20.18, Florida Statutes. The Department's responsibilities include oversight of local government comprehensive planning, administration of Statewide building codes, and administration of numerous programs that award grants to eligible local governments for infrastructure, community improvement, revitalization of commercial areas, housing rehabilitation, and economic projects, and to community action agencies to assist persons with critical needs, such as food, clothing, healthcare and utilities.

Pursuant to law, effective July 2006, the Division is a separate entity, from the Department. The Director of the Division serves at the pleasure of the Governor and is the agency head for all purposes. The Division is responsible for the overall coordination of the State Emergency Response Team (SERT), operation of the State Emergency Operations Center (EOC), and coordination of the State's response to address the needs of disaster victims and the emergency responders. Additionally, the Division is responsible for administering numerous programs related to emergency preparedness, response, recovery, and mitigation.

According to an interagency agreement between the Department and the Division, the Department is

responsible for handling administrative activities of the Division. However, the Division is not subject to control, supervision, or direction by the Department in any manner including, but not limited to personnel, purchasing, transactions involving tangible personal property, and budgetary matters.

As of June 2007, the Department and the Division had 226 and 138 authorized positions, respectively.

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## FINDINGS AND RECOMMENDATIONS

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### **Finding No. 1: General Procurement Requirements**

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Chapter 287, Florida Statutes, and related rules, establish uniform procedures for use by State agencies to provide assurance of economical and ethical procurement of commodities and contractual services. Open competition is a basic tenet of public procurement which reduces the appearance and opportunity for favoritism. As part of these requirements, State agencies are required to maintain detailed documentation of actions taken and decisions made relevant to procurement and contract management to ensure public confidence in the process by which commodities and contractual services are procured.

As part of our audit, we reviewed 16 procurements, totaling \$7.9 million, which were subject to competitive purchasing requirements. These procurements were made using the invitation to bid (ITB) method, the request for proposal (RFP) method, or the invitation to negotiate (ITN) method. These procurements included emergency response and medical supplies, emergency deployable wide area remote data systems, printing services, and contractual services.

Our audit disclosed that elements of the procurement process were not always properly completed or documented.

- Our review included 4 procurements, totaling approximately \$1.4 million, made by the ITB method and 7 procurements, totaling \$5.6 million, made by the RFP method. For these procurements, some of the records necessary

to demonstrate compliance with competitive purchasing requirements were not available. Specifically:

- For these 11 purchases, dated sign-in sheets with the signatures of the members of the evaluation teams were not completed and maintained in the records. Of these 11 procurements, 9 were Division procurements and 2 were Department procurements. The evaluation teams were responsible for reviewing, evaluating, and scoring the bids or proposals, as applicable.
- For 4 of the Division procurements, there was no documentation of record, such as scoring sheets, to support the evaluation team's ranking of prospective vendors.
- Our review included 5 Department procurements, totaling approximately \$873,134 made using the ITN method. Contrary to the requirements of Section 287.057(3)(b), Florida Statutes, for these 5 procurements, the records did not contain a short, plain statement that explained the basis for vendor selection and how the deliverables provided the best value for the State.

Absent sufficient records demonstrating that all purchasing requirements were followed, the Department and the Division may not be able to demonstrate that procurements were made without favoritism and were awarded equitably and economically.

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**Recommendation: We recommend that the Department and the Division complete and maintain all required documentation to demonstrate compliance with applicable laws, rules, and regulations.**

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### **Finding No. 2: Catered Food Service**

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When the State EOC is activated for an emergency, for an extended period, the Division provides food for the employees who are required to be there for extended hours. These employees include Department and Division employees, other State agency employees, military personnel, and Federal agency employees.

The Division made payments totaling \$357,350 to a single vendor for catered food service, for the 2005-06 and 2006-07 fiscal years. The same vendor was used in previous years. All of the procurements for catering service were made using the emergency procurement method. Catering service was used in 9 of the 24 months reviewed.

According to the invoices, the number of meals provided in each instance ranged from 150 to 4,150. A total of 43,375 meals were paid for, including 12,450 for breakfast, 18,225 for lunch, and 12,700 for dinner. The vendor was paid rates, which ranged from \$3 to \$6 for each breakfast, \$6 to \$11 for each lunch, and \$10 to \$19 for each dinner. The average cost per meal was \$8.

Pursuant to law, the Division is authorized to enter into memoranda of agreement or open purchase orders to ensure the availability of goods or services necessary for emergency response. Given the routine and known nature of the need for catering service, open purchase orders or memoranda of agreement could be periodically negotiated for goods or services which are expected to be necessary during emergency periods, such as catered food service. These open purchase orders or memoranda of agreement could be made through use of competitive procurement methods to ensure that the best prices are obtained for the State and to ensure open and fair competition among available vendors.

In response to our inquiries regarding the use of a single vendor and the emergency procurement designations for this service, the Division explained that the vendor was selected based on its capability to respond within hours, and provide meals at rates that were within State meal per diem rates. Additionally, Department personnel explained that they were in the process of advertising and accepting bids for catered meals during activation of the EOC.

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**Recommendation:** We recommend that the Division use competitive procurement methods to identify and select vendors to provide catering services.

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### **Finding No. 3: Employee Independence Attestations**

For procurements in excess of \$25,000 accomplished without competition, Section 287.057(20), Florida Statutes, requires that individuals taking part in the contractor selection process attest in writing that they are independent of, and have no conflict of interest in, the entities evaluated and selected. The contractor selection process consists of the development or selection of criteria for evaluation, the evaluation process, and the award process.

Our audit disclosed that the Department and the Division had not adopted procedures requiring written attestations of independence for individuals with procurement responsibilities. Our audit included a review of 26 Division emergency procurements, totaling \$45.1 million, 11 Division single source procurements, totaling \$3.9 million, and 7 Department single source procurements, totaling \$1.3 million. Contrary to law, written attestations of independence were not on file for any of the individuals involved in the vendor selection process for procurements accomplished without competition.

Similarly, the Department and the Division did not require written attestations of independence from individuals involved in selecting contractors through competitive means. While Florida law does not require written attestations of independence under such circumstances, good business practices suggest the execution of the attestations.

Documentation of the independence and impartiality of individuals involved in selecting procurement sources helps ensure, in fact and appearance, a fair and open procurement process.

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**Recommendation:** We recommend that the Department and the Division adopt procedures requiring that, for contracts valued in excess of \$25,000, all staff involved in the contractor selection process, attest in writing as to their independence and impartiality.

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**Finding No. 4: Motor Vehicles**

Department of Management Services (DMS), Division of Motor Pool, has oversight responsibilities for State-owned vehicles. Part II of Chapter 287, Florida Statutes, and DMS Rules, govern the purchase, assignment, and use of motor vehicles. Pursuant to DMS Rule, 60B-1.001, Florida Administrative Code, no agency shall purchase, lease, or otherwise acquire any motor vehicle or watercraft without prior approval of the Division of Motor Pool, except that such prior approval is not required for acquisitions of law enforcement agencies through judicial proceedings or acquisitions of motor vehicles which are to be required for 30 days or less, when such acquisitions can be accomplished at costs which do not require the use of formal competitive bids. To purchase a vehicle, a State agency must obtain approval from DMS, through submission of a Request for Purchase of Mobile Equipment form.

In May 2007, two Ford Expeditions were purchased by the Division. Each vehicle cost \$26,163, for a total of \$52,326, which was paid from the Federal Emergency Management Programs Support Trust Fund.

According to the purchase orders and the Request for Purchase of Mobile Equipment forms, these vehicles were purchased for use by two area coordinators with extensive travel responsibilities and were to replace a 2001 Chevrolet Blazer and a 2003 GMC Sierra. Information included on both the purchase order and Request for Purchase of Mobile Equipment forms asserted that specific equipment, such as four-wheel drive and tow capabilities, were necessary for the purchased vehicles because these two area coordinator positions were responsible for emergency response and recovery efforts and were required to carry emergency cargo, portable satellite communication equipment, and other equipment.

The acquisition of these two vehicles was approved by DMS, based on Division assertions that the vehicles would be assigned to the regional coordinators with emergency recovery and response responsibilities and

the vehicles would replace existing vehicles. However, based on our observations during the audit period, these two vehicles were not assigned to the specified positions, and were instead used by Division management in Tallahassee.

In October 2007, Department personnel explained that the Division had not yet assigned the vehicles to any specific regional coordinators as they were designated as replacement vehicles for the regional coordinator vehicle pool and that assignment would be completed when the vehicles were appropriately equipped and marked with appropriate insignia. Department personnel also indicated that SERT personnel will use these vehicles for operational readiness in the meantime.

On August 24, 2007, we requested the motor vehicle logs for these vehicles, but these records had not been provided as of March 2008. The completion of motor vehicle logs is necessary to document the actual utilization of the vehicles and the fuel and maintenance costs incurred.

The failure to timely assign and use these vehicles as approved brings in to question the justification used in obtaining DMS approval, regardless of whether the acquisition of these vehicles was necessary or appropriate. Absent records of the actual utilization of these vehicles, the Division cannot demonstrate that these vehicles were used for authorized State purposes.

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**Recommendation:** We recommend that the Department and the Division follow all established requirements for the acquisition of motor vehicles, assign these motor vehicles in accordance with the applicable approvals, or seek necessary approval for any revised assignments. Additionally, we recommend that the Department and the Division take steps to ensure that motor vehicle logs are completed to account for the actual utilization of the motor vehicles.

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**Finding No. 5: Annual Physical Inventory**

Chapter 273, Florida Statutes, provides that the Chief Financial Officer shall establish by rule the



requirements for the periodic review of property for inventory purposes.

To ensure proper accountability and safeguarding of tangible personal property, rules adopted by the Chief Financial Officer require that State agencies complete an annual physical inventory of property. As part of an annual physical inventory, State agencies are required to compare the results of the inventory to the property records to identify discrepancies. Property items not located during the inventory process are to be promptly reported to the custodian and a thorough investigation made, and items not located after the investigation are to be reported to the appropriate law enforcement agency. A State agency must seek approval from DFS to remove missing property from property records, and upon such approval, make the appropriate adjustments.

According to property records as of November 2007, the acquisition cost of the Department's tangible personal property totaled approximately \$2.8 million. The acquisition cost of the Division's tangible personal property totaled approximately \$5.1 million. As part of our audit, we reviewed the inventory records of the most recently completed annual physical inventory and obtained lists of the missing property identified for the Office of the Secretary (including all administrative offices), the Division of Community Planning, and the Division of Housing and Community Development. These lists disclosed that 208 items, totaling approximately \$490,000, were identified as missing. These missing property items included computers, other computer equipment, cameras, projectors, and scanners. The acquisition dates for these items ranged from 1988 to 2006. The acquisition costs for the items purchased since 2000 totaled \$174,409.

We made inquiries of Department management regarding their attempts to locate the missing property, notification of appropriate division delegate, approval for removal from the property records, and notification to law enforcement. The Department indicated that established procedures had not been followed. Also, the Department indicated that some

items have since been shown to have been surplused or found, but other records were incomplete. No documentation was provided to evidence that law enforcement had been notified about any of the missing property.

Periodic inventories are necessary to ensure accountability and safeguard of State-owned assets. Absent the performance of the inventories and the related processes, there is reduced assurance that the loss of assets and record errors will be timely detected and corrective actions taken.

Although we on April 13, 2007, and August 24, 2007, requested the most recently completed annual physical inventory records for the Division, including a list of any missing property, such records were not made available, as of March 2008. From agency responses to our inquiries, it was not clear that a recent inventory and other related procedures had been completed. The unavailability of information concerning the Division's tangible personal property inventory created an audit scope limitation. As such, we were unable to evaluate the effectiveness of established internal controls over Division property in achieving Division management's control objectives in the categories of compliance with controlling laws, administrative rules, and other guidelines; the validity and reliability of records and reports; and the safeguarding of assets.

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**Recommendation:** We recommend that the Department and the Division take steps to ensure that all aspects of an annual physical inventory are timely completed, including the search for missing property items, notification of the appropriate law enforcement agency, as applicable, and the recording of appropriate adjustments to property records upon approval from DFS.

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#### **OBJECTIVES, SCOPE, AND METHODOLOGY**

Our audit focused on the procurement and asset management activities of the Department and the Division. The overall objectives of the audit included:

- To evaluate the effectiveness of established internal controls in achieving management's control objectives in the categories of

compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the validity and reliability of records and reports; and the safeguarding of assets.

- To evaluate management's performance in achieving compliance with controlling laws, administrative rules, and other guidelines; the economic and efficient, and effective operation of State government; the validity and reliability of records and reports; and the safeguarding of assets.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This operational audit was conducted in accordance with applicable Generally Accepted Government Auditing Standards. In conducting our audit, we interviewed Department and Division personnel, observed selected operations, reviewed Department and Division records, and completed various analyses and procedures. Our audit included examination of various documents (as well as events and conditions) applicable to the period July 2005 through November 2007 and included such procedures we considered necessary in the circumstances, except as indicated in Finding No. 5.

**AUTHORITY**

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



David W. Martin, CPA  
Auditor General

**MANAGEMENT RESPONSE**

In letters dated May 8, 2008 and May 1, 2008, the Secretary of the Department and the Director of the Division provided responses to our preliminary and tentative audit findings. These letters are included in their entirety at the end of the report as Appendices A and B.

This audit was conducted by Anne Dubois and supervised by Jennifer Reeves, CPA. Please address inquiries regarding this report to David R. Vick, CPA, Audit Manager, by e-mail at [davidvick@aud.state.fl.us](mailto:davidvick@aud.state.fl.us) or by telephone at (850-487-4494). This report and other audit reports prepared by the Auditor General can be obtained on our Web site (<http://www.myflorida.com/audgen>); by telephone (850-487-9024); or by mail (G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450).

APPENDIX A  
MANAGEMENT RESPONSE



STATE OF FLORIDA

DEPARTMENT OF COMMUNITY AFFAIRS

*"Dedicated to making Florida a better place to call home"*

CHARLIE CRIST  
Governor

THOMAS G. PELHAM  
Secretary

May 8, 2008

David W. Martin, CPA, Auditor General  
State of Florida Auditor General  
111 West Madison Street  
Tallahassee, FL 32399-1450

Re: Response to Audit, Procurement and Asset Management, Operational Audit

Dear Mr. Martin:

This letter is to provide the Department's responses to the preliminary and tentative findings dated April 9, 2008, regarding the Department of Community Affairs and Division of Emergency Management, Procurement and Asset Management, Operational Audit.

**Finding No. 1:** Procurement records did not always include all required documentation needed to demonstrate compliance with competitive purchasing requirements specified in law.

**Auditor General Recommendation:** We recommend that the Department and the Division complete and maintain all required documentation to demonstrate compliance with applicable laws, rules, and regulations.

**Department Response:** The Department concurs with the auditor's finding and recommendation. We are now requiring the use of a sign-in sheet at each bid opening, as well as requiring members of the evaluation teams for request for proposal and invitation to bid to provide documentation to support the ranking of all prospective vendors. The Purchasing Office is currently updating the methods and procedures for obtaining written explanations for vendor selection and how the selection provides the best value to the state for each invitation to negotiate procurement.

**Finding No. 3:** Employees with vendor selection responsibilities were not required to attest in writing as to their independence and impartiality with respect to the entities evaluated and selected.

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COMMUNITY PLANNING  
Phone: 850-488-2356 Fax: 850-488-3309

AREAS OF CRITICAL STATE CONCERN FIELD OFFICE  
Phone: 305-289-2402 Fax: 305-289-2442

HOUSING AND COMMUNITY DEVELOPMENT  
Phone: 850-488-7956 Fax: 850-922-5623



**APPENDIX A**  
**MANAGEMENT RESPONSE (CONTINUED)**

Mr. David Martin, Auditor General  
May 8, 2008  
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**Auditor General Recommendation:** We recommend that the Department and the Division adopt procedures requiring that, for contracts valued in excess of \$25,000, all staff involved in the contractor selection process, attest in writing as to their independence and impartiality.

**Department Response:** The Purchasing Office is instituting methods and procedures to ensure that "No Conflict of Interest" forms are obtained from department staff for all competitive and non-competitive procurements over \$25,000.

**Finding No. 4:** The Division did not assign two recently acquired vehicles in accordance with the applicable documentation filed to gain approvals for the purchase of the vehicles and did not provide for our review motor vehicle logs to account for the actual use of these vehicles.

**Auditor General Recommendation:** We recommend that the Department and the Division follow all established requirements for the acquisition of motor vehicles, assign these motor vehicles in accordance with the applicable approvals, or seek necessary approval for any revised assignments. Additionally, we recommend that the Department and the Division take steps to ensure that motor vehicle logs are completed to account for the actual utilization of the motor vehicles.

**Department Response:** The Department is responsible for submitting the necessary documentation to Department of Management Services in order to obtain purchase approval, procurement of the motor vehicle once approved by Department of Management Services, and documenting the motor vehicle in the property inventory upon receipt. While the Department has no direct oversight over the Division of Emergency Management's assignment of the vehicle or the preparation of the vehicle logs, we will make every effort to assist the Division in complying with the auditor's recommendations.

**Finding No. 5:** The Department did not take sufficient actions to locate, and if applicable, report to an applicable law enforcement agency, tangible personal property not found during the annual physical inventories. The Division did not make available for our audit, records of its latest annual physical inventory and lists of any missing property.

**Auditor General Recommendation:** We recommend that the Department and the Division take steps to ensure that all aspects of an annual physical inventory are timely completed, including the search for missing property items, notification of the appropriate law enforcement agency, as applicable, and the recording of appropriate adjustments to property records upon approval from DFS.

APPENDIX A  
MANAGEMENT RESPONSE (CONTINUED)

Mr. David Martin, Auditor General  
May 8, 2008  
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**Department Response:** The Department concurs with the auditor's finding and recommendations. We are in the process of updating the existing property procedures for the Department. The property custodian is currently conducting a full Departmental inventory with assistance from the appropriate Division of Emergency Management staff to include appropriate accountability of missing property.

On behalf of the Department, we look forward to your final audit findings and recommendations and will implement corrective actions, as appropriate.

Sincerely yours,



Thomas G. Pelham  
Secretary

TGP/cmf

APPENDIX B  
MANAGEMENT RESPONSE



STATE OF FLORIDA  
DIVISION OF EMERGENCY MANAGEMENT  
"State Emergency Response Team"

CHARLIE CRIST  
Governor

W. CRAIG FUGATE  
Director

May 1, 2008

Mr. David W. Martin  
Auditor General  
G74 Claude Pepper Building  
111 W. Madison Street  
Tallahassee, Florida 32399-1450

RE: Response to April 9, 2008 Preliminary and Tentative Audit Findings and Recommendations of Procurement and Asset Management 1-5.

Dear Mr. Martin:

On April 9, 2008, this office received a list of preliminary and tentative audit findings and recommendations for the period of July 2005 through November 2007. Please find the attached which outlines actual or proposed corrective actions.

Please feel free to contact me at 850.922.1676 if you have any questions.

Sincerely,

W. Craig Fugate  
Director

cc: Candie Fuller, Director of Auditing  
Suzanne Adams, Finance and Administration

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Internet address: <http://www.FloridaDisaster.org>  
FLORIDA RECOVERY OFFICE § 36 Skyline Drive § Lake Mary, Florida 32746  
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**APPENDIX B  
MANAGEMENT RESPONSE (CONTINUED)**

**ATTACHMENT**

**Finding No. 1:** Procurement records did not always include all required documentation needed to demonstrate compliance with competitive purchasing requirements specified in law.

The Division concurs, in part, with the findings and recommendations and has taken the following corrective actions:

- Updated the procurement process to reflect that all competitive procurements are required to have the following documents:
  - Sign in sheets for the evaluation team when reviewing, evaluating, or scoring proposals pursuant to Request for Proposals and Invitation to Negotiate.
  - Scoring sheets from each evaluation team member for each proposal submitted to support the evaluation team's vendor ranking as required for all Requests for Proposal and Invitations to Negotiate.
  - Statement explaining the basis for vendor selection for all Invitation to Negotiate procurements.

**Finding No. 2:** The Division did not use competitive procurements methods to purchase catered food service for the State Emergency Operations Center (SEOC).

During a declared state of emergency, the Governor provides agency heads "*the authority to suspend the effect of any statute, rule, ordinance, or order, to the extent needed to procure any and all necessary supplies, commodities, services, temporary premises, and other resources...*" This authority extends to the purchase of catering services for the SEOC when conditions warrant. This procedure is also endorsed by the Department of Financial Services which has provided the following guidance:

"Under the suspension, the State Coordinating Officer is provided with the discretion to purchase meals, food, and beverages for the staff operating the Emergency Operation Center on a 24- hour basis during an emergency. The State Coordinating Officer's decision to approve the suspension of Section 112.061, F.S., must be made only after consultation with the Governor or his authorized staff. Following the suspension of Section 112.061, F.S., each agency should adhere to the following guidelines:

- 1) The food service should not exceed the per diem amounts and the service should be carefully controlled.
- 2) Each agency head should be allowed to determine when food should be made available to the agency's workers.
- 3) Each agency is responsible for the payment of its bills and seeking federal reimbursement.

**APPENDIX B**  
**MANAGEMENT RESPONSE (CONTINUED)**

- 4) In order to insure the workers' health, all catered food should be from a licensed establishment meeting health inspection standards."

These guidelines are flexible depending upon the facts of each emergency. The agency head must approve any departure from the guidelines. *See Reference Guide for State Expenditures, Department of Financial Services (Updated November 2006), pp. T7-8.*

To date, the Division has not departed from the aforementioned policies and procedures. In the past year, the Division has issued two competitive solicitations for catering services during emergency activation. Unfortunately, neither solicitation has resulted in procuring a catering service contract. Therefore, the Division concurs, in part, with the findings and recommendations and to ensure open and fair competition among all prospective vendors, the Division will:

- Periodically issue competitive solicitations for catering services. It is the intention of the Division to obtain multiple catering contracts for future emergency activations.
- Contract with multiple vendors during emergency activation until a competitive procurement solution can be found. For example, if there are four different disasters in any one given year, a different vendor will be utilized for each disaster.

**Finding No. 3:** Employees with vendor selection responsibilities were not required to attest in writing as to their independence and impartiality with respect to entities evaluated and selected.

The Division concurs, in part, with the finding and recommendations and has taken the following corrective actions:

- Updated the procurement process to reflect that all competitive solicitations as well as sole source procurements will require conflict of interest attestations completed by all division staff involved with the vendor selection process.

**Finding No. 4:** The Division did not assign two recently acquired vehicles in accordance with the applicable documentation filed to gain approvals for the purchase of vehicles and did not provide for review motor vehicle logs to account for the actual use of these vehicles.

Assignment of these vehicles is pending final outfitting of equipment and Division insignia. Moreover, effective December 1, 2007, the Division adopted a vehicle use policy for all Division owned vehicles. The policy requires a monthly log for each vehicle, which shall be filed with the Logistics Section within the Bureau of Response. Since the adoption of the vehicle policy, the Logistics Section has received monthly logs for these vehicles. Therefore, the Division concurs, in part, with the finding and recommendations and has taken the following corrective actions:



**APPENDIX B**  
**MANAGEMENT RESPONSE (CONTINUED)**

- Periodically notify all Division staff utilizing state vehicles that they must adhere to the Vehicle Use Policy.
- Acquired access to EMIS so that Division employees may input monthly vehicle utilization reports.
- Notified the Logistics Section that monthly log reports must be timely filed (no later than 15 days following the end of the month).
- Determine which reports have not been received and counsel user that they must comply with reporting requirements.

**Finding No. 5:** The Department did not take sufficient actions to locate, and if applicable, report to an applicable law enforcement agency, tangible personal property not found during the annual physical inventories. The Division did not make available for our audit, records of its latest annual physical inventory and lists of any missing property.

During the period of this operational audit (July 2005 through November 2007), the Division was activated in response to 11 declared state of emergencies. During these emergencies, adherence to existing statutes (including Chapter 273, Florida Statutes), rules, ordinances and orders were suspended for the duration of the emergency to the extent that compliance would hinder the timely performance of disaster response functions. Moreover, compliance with Chapter 273 was further aggravated by the high personnel turnover during this period. Therefore, the Department's and Division's ability to complete an annual inventory during this operational audit period was impaired.

That said, in collaboration with the Department, the Division has conducted an annual inventory. However, the Division is still in the process of conducting a missing property search to reconcile the existing known inventory. Therefore, the Division concurs, in part, with the finding and recommendations and has taken the following corrective actions:

- Procedures are being formulated to have property items being utilized by the Division's Regional Coordinators inventoried during one of their regularly scheduled meetings in Tallahassee.
- Continued review of division processes will be an ongoing improvement initiative to verify compliance with all statutes, rules, ordinances and orders for non-emergency periods. As these division processes relate to emergency activation periods, review of these processes for improvement will be ongoing to the extent that disaster response functions are not negatively impacted by adherence to statutes, rules, ordinances and orders.

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