

DIVISION OF EMERGENCY MANAGEMENT

DISASTER RESOURCE MANAGEMENT AND PRIOR AUDIT FOLLOW-UP

Operational Audit



DIRECTOR OF THE DIVISION OF EMERGENCY MANAGEMENT

The Director of the Division of Emergency Management is appointed by, and serves at the pleasure of, the Governor. The Division was administratively housed within the Department of Community Affairs until October 1, 2011, when the Division was transferred to the Executive Office of the Governor pursuant to Chapter 2011-142, Laws of Florida. During the period of our audit Bryan Koon served as the Director of the Division.

The audit team leader was Aaron Franz, CPA, and the audit was 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 or by telephone at (850) 412-2817.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 412-2722; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

DIVISION OF EMERGENCY MANAGEMENT

Disaster Resource Management and Prior Audit Follow-Up

SUMMARY

This operational audit of the Division of Emergency Management (Division) focused on disaster resource management and equipment subgrants, and also included a follow-up on the findings noted in our report Nos. 2012-098 and 2012-099. Our audit disclosed the following:

DISASTER RESOURCE MANAGEMENT

Finding No. 1: The Division had not established written procedures for the oversight of the disaster supplies and equipment inventory maintained at the State Logistics Response Center, performed a periodic physical inventory of the disaster supplies and equipment, or maintained records documenting approval for inventory dispositions.

Finding No. 2: The Division had not updated the statutorily required inventory list of State and local government-owned generators available for use during major disasters since creating the list in December 2006.

SUBGRANTS OF EQUIPMENT PURCHASED WITH FEDERAL FUNDS

Finding No. 3: The Division did not always adequately document subgrants of equipment purchased with Federal funds for distribution to eligible recipients.

TANGIBLE PERSONAL PROPERTY

Finding No. 4: The Division did not always timely and accurately record purchases of tangible personal property items in Division property records. Additionally, required property item information was not always included in the records.

BACKGROUND

Effective October 1, 2011, the Division of Emergency Management (Division) was established as a separate budget entity within the Executive Office of the Governor,¹ and given responsibility for the professional, technical, and administrative support functions necessary to carry out the Division's emergency management responsibilities under State law.² The Director of the Division is to be appointed by and serve at the pleasure of the Governor and is the agency head for all purposes.

The Division is responsible for planning for and responding to natural and man-made disasters, as well as for administering numerous emergency preparedness, response, recovery, and mitigation programs. The Division's activities include, but are not limited to: preparing and implementing a Statewide Comprehensive Emergency Management Plan; routinely performing exercises to test State and local emergency response capabilities; providing technical assistance to local governments for their emergency plans; assessing damage following a disaster and advising the Governor on whether to declare an emergency; and maintaining the State's Emergency Operations Center.

¹Section 14.2016, Florida Statutes.

² Chapter 252, Part I, Florida Statutes.

FINDINGS AND RECOMMENDATIONS

Disaster Resource Management

Chapter 2006-71, Laws of Florida, provided to the Division \$2.1 million in recurring funds from the General Revenue Fund and, for the 2006-07 fiscal year, \$4.4 million from the Emergency Management Preparedness and Assistance Trust Fund for the improvement of logistical staging and warehouse capacity for commodities to help ensure that adequate supplies, equipment, and commodities are available and accessible for purposes of responding to disasters. Pursuant to State law, the funds could be used for increasing storage capacity; improving technologies to manage commodities; and enhancing the State's ability to maintain in a safe and secure manner an inventory of the supplies, equipment, and commodities that would be needed in the immediate aftermath of a disaster.

To meet the immediate needs of disaster victims, the State established the State Logistics Response Center (SLRC) in Orlando. The Division oversees the SLRC which is to serve as an alternative emergency operations center. The SLRC also warehouses disaster supplies and equipment owned by the State and managed by the Division and the Department of Health, as applicable, as well as items owned and managed by vendors. To manage the State-owned inventory of disaster supplies and equipment, which includes food, water, hazardous materials suits, medical supplies, and other items that may be needed in the immediate aftermath of a man-made or natural disaster, the Division developed and utilizes the Statewide Resource Management Network (SRMN). According to Division management, as of March 2012, the insured value of the tangible personal property and the disaster supplies and equipment inventory warehoused at the SLRC was approximately \$20.5 million.

To supplement the State-owned disaster supplies warehoused at the SLRC, the Division negotiated in May 2010 and August 2011 two vendor-managed inventory (VMI) contracts for 300 truckloads of bottled water and one million shelf stable meals, respectively. These supplies are to be stored at the SLRC, maintained by the vendors, and made available for purchase and use by the State during disasters.

Finding No. 1: Disaster Supplies and Equipment Inventory Controls

Federal guidance³ identifies best practices for inventory control and provides that control is a critical management function exercised in concert with acquiring, managing, and disposing of inventory, supplies, and materials. The inventory control best practices prescribed by the guidance include, but are not limited to:

- Establishing written policies and procedures governing inventory management;
- Performing periodic physical inventory counts;
- Recording changes in inventory quantities;
- Maintaining records which include the asset identifier, asset location, current owner (e.g., agency, vendor, or grantee), condition, and custodian; and
- Maintaining documentation to demonstrate the proper approval of inventory dispositions.

As part of our audit, we examined Division records, interviewed Division personnel, and evaluated Division inventory controls at the SLRC. We identified areas in which the SLRC inventory controls needed improvement. Specifically, we noted that:

³ Joint Financial Management Improvement Program, *Federal Financial Management System Requirements – Inventory, Supplies, and Materials System*, 2003, and U.S. General Accounting Office, *Executive Guide – Best Practices in Achieving Consistent, Accurate Physical Counts of Inventory and Related Property*, March 2002.

- The Division had not established written policies and procedures specifically governing the management of the disaster supplies and equipment warehoused at the SLRC.
- The Division had not documented the performance of periodic physical inventories of the disaster supplies and equipment warehoused at the SLRC during the period July 2011 through February 2013 and did not have detailed records to support the total value of the disaster supplies and equipment inventory.
- According to Division records, there were eight dispositions of inventory made during the period July 2011 through February 2013. The items disposed of included hazardous materials suits, boots, and similar items that were donated to local governments and non-profit entities. However, Division records did not document the proper approval of the dispositions or cost information related to the items donated. Further, Division records did not demonstrate that the SRMN records had been updated for the dispositions. During emergencies, the SRMN is to be used to assist the Division, and other entities involved in emergency preparation and response activities, in identifying the location of needed response and disaster supplies and equipment and for tracking the deployment and delivery of those resources to local staging areas.

Inventory controls are essential to safeguard assets and promote the reliability of inventory records necessary for management decision-making. Such controls are especially important when the inventory consists of supplies and equipment required to meet the immediate needs of disaster victims. In response to our audit inquiries, Division management stated that, because of limited staff, policies and procedures governing the management of disaster supplies and equipment had not been established. Division management also indicated that the SRMN was utilized as a database for operational purposes and was not used to track Division property information. Notwithstanding this response, as the SRMN was developed to automate the resource management of the Division's inventory of disaster supplies and equipment and to track available quantities of stored items so that the location of needed supplies and equipment can be readily identified during an emergency, it is imperative that the SRMN include an accurate record of the State-owned supplies and equipment warehoused at the SLRC.

Recommendation: We recommend that Division management establish policies and procedures for the management of the disaster supplies and equipment warehoused at the SLRC. Such policies and procedures should require the performance of periodic physical inventories of the supplies and equipment, the maintenance of records documenting the approval of all dispositions, and the timely and accurate update of SRMN records.

Finding No. 2: Generators

Pursuant to State law,⁴ the Division was required by January 1, 2007, to complete an inventory of State and local government-owned generators that are capable of operating during a major disaster. State law⁵ further requires that the Division maintain an inventory list of the generators and that the list identify, at a minimum, the location of each generator; the number of generators stored at each specific location; the agency to which each generator belongs; the primary use of the generator by the owner agency; and the names, addresses, and telephone numbers of persons having the authority to loan the stored generators as authorized by the Division during a declared emergency. Inherent in the requirement to maintain the inventory list is the responsibility to update the list to reflect acquisitions, dispositions, and other changes in the required information.

In our report No. 2012-098, finding No. 7, we noted that the Division had not reviewed or updated the inventory list of generators since the list was created in December 2006. As part of our follow-up procedures, we examined Division records for the period January 2007 through February 2013 and noted that the Division expended

⁴ Chapter 2006-71, Laws of Florida.

⁵ Section 252.35(2)(s) and (t), Florida Statutes.

approximately \$70.9 million, of which approximately \$44.8 million was Federal funds, to purchase generators for local government special-needs emergency shelters. In response to our audit inquiry regarding additions to the inventory list, Division management acknowledged that the inventory list of generators had not been updated since it was created in December 2006 and also indicated that it was the Division's understanding that the creation of the inventory list was a one-time requirement. While State law provided that, by January 1, 2007, the Division was to create an inventory list of generators owned by the State and local governments, the law also requires the Division to maintain the inventory list of generators. Absent updates to the list to reflect acquisitions, dispositions, and other changes related to the information required for each generator, the usefulness of the list for maintaining recorded accountability and for locating generators during a declared emergency is limited.

Recommendation: We recommend that Division management seek guidance from the Legislature regarding the intent of Section 252.35(2)(t), Florida Statutes, and, as applicable, establish procedures to update and maintain an accurate inventory list of generators owned by the State and local governments.

Subgrants of Equipment Purchased with Federal Funds
--

As the State's administrative agency for United States Department of Homeland Security grant programs, the Division is responsible for administering the Homeland Security Grant Program,⁶ the Interoperable Emergency Communications Grant Program,⁷ and the Emergency Management Performance Grants Program.⁸ These programs allow for the purchase of certain equipment needed to prepare for, respond to, recover from, and mitigate the effects of natural disasters, acts of terrorism, and other man-made disasters. Federal regulations⁹ applicable to the programs provide that, to foster greater economy and efficiency, intergovernmental agreements should be utilized to procure common goods. Accordingly, as part of its administration of these Federal programs, the Division purchases, subgrants, and distributes items of equipment to eligible recipients, such as State agencies and local governments.

Finding No. 3: Subgrant Documentation

To ensure compliance with Federal requirements¹⁰ and to maintain the proper accountability for items purchased with Federal funds, subgrants must be documented in detail sufficient to communicate the applicable grant program requirements and to demonstrate the appropriate transfer of the custody of the items. According to Division management, the Division utilized memoranda of understanding to document subgrants of items purchased with Federal funds. Each memorandum of understanding was to include the subgrantee's name; identification of the specific items transferred to the subgrantee, including the items' serial numbers; the Federal and specific grant requirements applicable to the items being distributed; and the signatures of the parties involved.

As part of our audit, we examined Division records for 168 items of equipment purchased during the period September 2012 through February 2013 at costs totaling \$788,522 that were identified by the Division as distributed to subgrantees. The purchased items included network equipment, computers, power sources, emergency field equipment, and interoperable communications equipment. Our examination of Division records and inquiries of Division personnel disclosed that the subgrants related to the distribution of the 168 items were not always documented in accordance with Division procedures and Federal regulations. Specifically, the Division had not

⁶ Catalog of Federal Domestic Assistance No. 97.067.

⁷ Catalog of Federal Domestic Assistance No. 97.055.

⁸ Catalog of Federal Domestic Assistance No. 97.042.

⁹ Title 44, Section 13.36(b), Code of Federal Regulations.

¹⁰ Title 44, Section 13.20, Code of Federal Regulations and OMB Circular No. A-133, _400(d).

executed memoranda of understanding related to 133 of the items (75 radios and 58 antenna components) with acquisition costs totaling \$591,737. For these 133 items we also noted that:

- Although a memorandum of understanding had not been executed, the Division had obtained a signed property transfer receipt for 120 of the items. However, for 114 items (57 radios and 57 antenna components), with acquisition costs totaling \$483,728, the signed receipt did not include details, such as the serial numbers, of the individual items of equipment transferred.
- For 13 of the items (12 radios and 1 antenna component), with acquisition costs totaling \$73,092, the Division had neither executed memoranda of understanding nor obtained signed property transfer receipts.

Absent sufficiently detailed subgrant documentation communicating applicable grant program requirements and demonstrating the appropriate transfer of the custody of items to recipients, the Division cannot demonstrate compliance with Federal regulations and Division management's assurance related to the proper accountability for and appropriate safeguarding of equipment purchased with Federal funds is reduced.

Recommendation: We recommend that Division management ensure that all subgrants of equipment purchased with Federal funds are properly documented in accordance with applicable Federal regulations.

Tangible Personal Property

Department of Financial Services (DFS) rules¹¹ require State agencies to maintain records of all State-owned tangible personal property in their custody with a value or cost of \$1,000 or more and a projected useful life of one year or more. Among other things, each property record is to include the item's description, physical location, name of the custodian with assigned responsibility, serial number and other identifying information, acquisition cost, method of acquisition, class code, and last physical inventory date. The Division utilized the Florida Accounting Information Resource Subsystem (FLAIR) Property Subsystem to account for the Division's tangible personal property. According to Division FLAIR Property Subsystem records, as of February 28, 2013, the Division was responsible for tangible personal property totaling approximately \$7.3 million.

Finding No. 4: Tangible Personal Property Records

DFS guidance provides that State agencies are responsible for correctly reporting tangible personal property at the date of acquisition. According to Division records, the Division purchased 41 tangible personal property items with acquisition costs totaling \$216,105 during the period September 2012 through February 2013. As part of our audit, we examined Division records for 38 of the items, with acquisition costs totaling \$211,754, to determine whether the Division's property records had been timely and accurately updated. As similarly noted in our report No. 2012-098, finding No. 6, we found that purchases of tangible personal property were not always timely, accurately, or completely entered into the Division's property records. Specifically, for the 38 items selected for audit we found that:

- Division staff had not timely added 28 of the items, with acquisition costs totaling \$131,160, to the property records. The number of days between the items' payment dates¹² and the dates the items were added to Division property records ranged from 47 to 86. In response to our audit inquiries, Division management indicated that delays in recording tangible personal property items in the property records occurred when the receipt of items was not timely communicated to the personnel responsible for recording the property.

¹¹ DFS Rules 69I-72.002 and 69I-72.003, Florida Administrative Code.

¹² In all instances the property was received prior to the payment date.

- Required information was either missing or inaccurately recorded in the property records for 37 of the items. Specifically:
 - For 20 items, with acquisition costs totaling \$70,216, the physical location, custodian, class code, make or manufacturer, and method of acquisition was missing from Division property records.
 - The manufacturer's serial number was missing from Division property records for 19 items, with acquisition costs totaling \$90,416. These 19 items included portable radios, a laptop computer, and solar power packs.
 - Division property records for 16 items, with acquisition costs totaling \$106,354, reflected a physical inventory date of June 30, 2012, which preceded the recorded acquisition dates for the items.
 - Acquisition costs totaling \$53,245 were incorrectly recorded for 16 items. For these items, the Division allocated the total invoice amount to the 16 items equally, rather than recording the actual cost of each item as shown on the purchase order. As a result, the differences between the actual item costs and the acquisition costs listed in Division property records for these 16 items ranged from an understatement of \$2,433 to an overstatement of \$1,452.
 - The property numbers recorded in Division property records did not agree with the property numbers affixed to 2 items, portable radios with acquisition costs totaling \$10,455.

The Division lacked sufficient controls to ensure that all tangible personal property acquisitions were timely, accurately, and completely recorded in Division property records. As a result, Division management has reduced assurance regarding the accountability for and appropriate safeguarding of Division tangible personal property.

Recommendation: We again recommend that Division management take steps to ensure that tangible personal property acquisitions are timely, accurately, and completely recorded in Division property records.

PRIOR AUDIT FOLLOW-UP

Except as discussed in the preceding paragraphs, our audit procedures found that the Division had taken corrective actions, as applicable, for the findings noted in our report Nos. 2012-098 and 2012-099.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from January 2013 through July 2013 in accordance with 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 on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on the Division of Emergency Management's (Division's) disaster resource management. The overall objectives of the audit were:

- To evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and guidelines.

- To examine internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

Our audit also included steps to determine whether management had corrected, or was in the process of correcting, as applicable, all deficiencies noted in our report Nos. 2012-098 and 2012-099.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in management's internal controls, instances of noncompliance with applicable governing laws, rules, or contracts, and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature, does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

In conducting our audit we:

- Examined documentation related to the Division's two vendor-managed inventory contracts for water and food to evaluate whether the requirements set forth in the contracts were adequately designed to support the management of the disaster supplies inventory.
- Examined Division records to evaluate the appropriateness of the insurance coverage, totaling approximately \$20.5 million, obtained for the disaster supplies and equipment stored at the State Logistics Response Center (SLRC).
- Inspected property transfer forms and other documentation for eight dispositions of SLRC inventory made during the period July 2011 through February 2013 to determine whether the dispositions were authorized, appropriately documented in accordance with best practices, and Division staff had updated the Statewide Resource Management Network (SRMN) to reflect the dispositions.
- Obtained an understanding of Division and SRMN information technology (IT) controls, assessed the risks of those controls, evaluated whether selected general and application IT controls were in place, and tested the effectiveness of the controls. Specifically, we:

- Examined Division IT policies and procedures to determine whether the policies and procedures included information on security requirements; a security awareness program with required participation by new employees; procedures for requesting, approving, assigning, and removing user IDs and passwords for the SRMN.
 - Evaluated the effectiveness of Division data center and SRMN access controls established to protect Division data and IT resources.
 - Examined the job descriptions and user profiles for 12 of the 74 SRMN users to evaluate the appropriateness of the users' access for their assigned job responsibilities.
 - Performed analytical procedures to determine whether the Division timely removed SRMN access privileges when a user separated from employment or SRMN access was no longer required.
- Examined Division records for 17 contract expenditures, totaling \$1,610,450, made during the period September 2012 through February 2013 to determine whether the expenditures were supported by appropriate documentation and made in accordance with the terms of the contract and applicable State and Federal funding agreements.
 - Examined Division records for five contracts, totaling \$493,132, executed during the period March 2012 through February 2013 to determine whether the Division assessed and documented the independence of the individuals involved in the contract award process.
 - Examined Division records for four contracts, totaling \$472,650, executed during the period September 2012 through February 2013 to evaluate whether the services were procured in accordance with applicable laws and rules and the contracts were awarded equitably and economically.
 - Examined Division records for 38 tangible personal property items, with acquisition costs totaling \$211,754, acquired during the period September 2012 through February 2013 to determine whether the items were timely and appropriately recorded in Division property records.
 - Examined Division records for three Federally funded equipment procurements, made during the period March 2012 through February 2013, which included 168 items, with costs totaling \$788,522, purchased for distribution to subgrantees to evaluate whether the communication of applicable grant program requirements and the transfer of the items' custody to applicable subgrantees was appropriately documented.
 - Selected from Division property records and observed 49 Division tangible personal property items, with acquisition costs totaling \$219,450, to verify the items' existence and to evaluate the accuracy of the related Division property records.
 - Examined Division records, including records of the most recent annual tangible personal property physical inventory, dated March 2012, to evaluate whether the physical inventory was timely conducted and whether the inventory results had been reconciled to Division property records.
 - Examined Division records for 10 tangible personal property items, with acquisition costs totaling \$27,366, disposed of during the period March 2012 through February 2013 to evaluate whether the dispositions were made in compliance with applicable laws, rules, and procedures.
 - Examined Division records related to the purchase of generators during the period January 2007 through February 2013 and interviewed Division personnel regarding any actions taken to maintain and update of the statutorily required list of State and local government-owned generators available for use during major disasters.
 - Examined Division expenditure records for 315 travel transactions, totaling \$64,888, made during the period September 2012 through February 2013 to evaluate whether the expenditures were properly approved, accurately recorded, and adequately supported.
 - Examined Division records to determine whether access to the Florida BP Grants System was timely deactivated upon employee termination.

- Examined Division records for three State agency reimbursement transactions, totaling \$92,389, related to the Deepwater Horizon oil spill remediation during the period September 2012 through February 2013 to determine whether the reimbursements were authorized, sufficiently documented, and properly recorded.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. 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'S RESPONSE

In a response letter dated January 16, 2014, the Director of the Division provided responses to our audit findings and recommendations. The Director's response is included as **EXHIBIT A**.

EXHIBIT A
MANAGEMENT'S RESPONSE



STATE OF FLORIDA
DIVISION OF EMERGENCY MANAGEMENT

RICK SCOTT
Governor

BRYAN W. KOON
Director

January 16, 2014

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

Dear Mr. Martin:

This letter is to provide the Division's responses to the preliminary and tentative findings dated December 19, 2013, regarding the Division of Emergency Management Disaster Resource Management and Prior Audit Follow-up, Operational Audit.

Disaster Resource Management

Finding No. 1: The Division had not established written procedures for oversight of disaster supplies and equipment inventory maintained at the State Logistics Response Center, performed periodic physical inventory of the disaster supplies and equipment, or maintained records documenting approval for inventory dispositions.

Response: The Division will review and update its procedures and processes for oversight of disaster supplies and equipment inventory maintained at the State Logistics Response Center, performing periodic physical inventory of the disaster supplies and equipment, and maintaining records documenting approval for inventory dispositions. If appropriate, additional procedures will be developed to ensure proper management of and accounting for disaster supplies and equipment inventory maintained at the State Logistics Response Center.

Finding No. 2: The Division had not updated the statutorily required inventory list of State and local government-owned portable generators available for use during major disasters since creating the list in December 2006.

Response: The Division will conduct a survey of state agencies and local governments to identify all generators over 20kw which are capable of operating during a major disaster and which may be loaned under the Statewide Mutual Aid Agreement.

DIVISION HEADQUARTERS •
2555 Shumard Oak Blvd
Tallahassee, FL 32399-2100

Tel: 850-413-9969 • Fax: 850-488-1016
www.FloridaDisaster.org

• STATE LOGISTICS RESPONSE CENTER
2702 Directors Row
Orlando, FL 32809-5631

EXHIBIT A (CONTINUED)
MANAGEMENT'S RESPONSE

The information collected from the surveys will be used to update the inventory of portable generators. The inventory will identify (1) the location of each generator skid or trailer mounted generators, (2) the number of generators stored at each location, (3) the agency or governmental unit to which the generator belongs, (4) the primary use of the generator by the owner, and (5) the name, address, telephone number, and e-mail contact of the person having the authority to loan the stored generator as authorized by the Division during a declared emergency under the Statewide Mutual Aid Agreement.

Subgrants of Equipment Purchased with Federal Funds

Finding No. 3: The Division did not always adequately document subgrants of equipment purchased with Federal funds for distribution to eligible recipients.

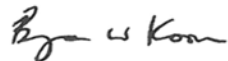
Response: The Division has executed memoranda of understanding with subgrantees for the equipment purchased for distribution to subgrantees during the period September 2012 through February 2013 and will discontinue purchasing equipment with Federal funds for distribution to eligible recipients.

Tangible Personal Property

Finding No. 4: The Division did not always timely and accurately record purchases of tangible personal property items in Division property records. Additionally, required property item information was not always included in the records.

Response: The Division will review and update its procedures and processes for recording purchases of tangible personal property items to ensure that purchases of tangible personal property items are properly recorded.

Sincerely,



Bryan W. Koon, Director
Division of Emergency Management

BK/rha

cc: Ronnie Atkins, Deputy Inspector General, Division of Emergency Management
Melinda Miguel, Inspector General, Executive Office of the Governor