



**BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**

M E M O R A N D U M

TO: Honorable Joe A. Martinez, Chairman
and Members, Board of County Commissioners

FROM: Charles Anderson, CPA
Commission Auditor

A handwritten signature in black ink, appearing to read "Charles Anderson", is written over the printed name.

DATE: February 15, 2012

SUBJECT: Budget Compliance Study – Office of Emergency Management

We have concluded our Budget Compliance Study of the Office of Emergency Management (currently a part of Fire Rescue Department), and submit this final report, which contains observations and management responses. Management concurred with all our observations.

We want to thank the staff of the Office of Emergency Management for their cooperation and input throughout the study. Please let me know if you need any more information.

c: Honorable Carlos A. Giménez, Mayor
Genaro “Chip” Iglesias, Deputy Mayor, Chief of Staff
R. A. Cuevas, Jr., County Attorney
Chris Mazzella, Inspector General
Cathy Jackson, Director, Audit and Management Services
William “Shorty” Bryson, Director, Fire Rescue
Curtis Sommerhoff, Director, Office of Emergency Management

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MIAMI-DADE COUNTY BOARD OF COUNTY COMMISSIONERS

OFFICE OF THE COMMISSION AUDITOR

**BUDGET COMPLIANCE STUDY
OFFICE OF EMERGENCY MANAGEMENT**
(currently a part of Fire Rescue Department)

Project Number 10-16000

February 15, 2012

Charles Anderson, CPA
Commission Auditor

Auditors

Rosa Gilbert, CGAP
Noel A. Aranha, CPA, CGMA

Auditor-In-Charge
Acting Audit Manager

111 NW First Street, Suite 1030
Miami, Florida 33128
305-375-4354

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Attachment I – Office of Emergency Management Response

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I. Objective and Scope

As part of the 2010 Supplement to the Commission Auditor's Work Plan approved by the Miami-Dade County Board of County Commissioners (BCC), the Office of the Commission Auditor (OCA) conducted a Budget Compliance study of the Office of Emergency Management (OEM) (currently a part of Fire Rescue Department).

The objectives of the study were to:

1. Compare departmental budgets with year-to-date revenues and expenses to determine whether expenditures are being monitored and controlled against departmental budget authorizations, and whether the department is operating within its budget.
2. Analyze specific areas of concern arising out of OCA risk assessment of County departments to determine whether measures are in place to safeguard County assets and the effectiveness of these measures.

The study covered the period October 1, 2009 through September 30, 2010 (FY 2009-10).

II. Methodology

This study consisted principally of inquiries to personnel and analytical procedures applied to financial and programmatic data. It was substantially less detailed in scope than an audit in accordance with generally accepted auditing standards, the objective of which is that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives.

To satisfy the first objective, we:

- a. Compared departmental budgeted revenues and expenses with year-end revenues and expenses,
- b. Analyzed over and under variances to identify potential areas of concern, and
- c. Used the information obtained from a & b, to identify areas where efficiencies can be achieved with a view of adapting best practices to improve program performance and operation, reduce cost and facilitate decision making.

We reviewed the Resourcing For Results Online (RFRO) package for the Office, the Adopted Budget Book narrative, the Adopted Budget Ordinance for the office for the FY 2009-10, and the Office's business plan to gain an understanding of the budgetary issues facing the OEM.

We also reviewed actual revenues and expenses for correct and timely posting and correction of errors.

Using information obtained from the County's Financial Accounting Management Information Systems (FAMIS), OCA prepared an analytical review of the Budget to Actual variances as of September 30, 2010. Due to peculiarities of federal and state grants, a more detailed analysis using sub-object and index codes was performed to compute the variances

for the grants. In addition, the index codes of the grants were used to determine their budget information.

To satisfy the second objective, we reviewed different areas of concern in regards to county assets. The areas reviewed were:

- a. Inventory certification, procedures, and physical inventory verification records,
- b. Purchasing cards with the names of authorized users and their corresponding billing records,
- c. Telephone numbers, user names, and invoices for one month,
- d. Inventory of laptop computers with their corresponding user names and locations,
- e. Inventory verification records of radiation equipment and radios.

From the OEM organization chart, OCA reviewed span of control and current staffing salaries and levels to identify, if any, opportunities to improve efficiencies.

III. Background

The OEM strives to lessen the impact of disasters and potential catastrophic incidents through planning, response, and coordination of information and resources. Additionally, DEM manages the County's Emergency Operations Center (EOC), which coordinates emergency response and recovery decisions, plans, and operations in order to maximize the use of resources within Miami-Dade County.

The Office's responsibilities under the Public Safety strategic area include domestic preparedness, emergency evacuation assistance, coordination of health and medical needs arising from natural and technological disasters, preparedness for radiological emergencies, disaster mitigation project development, and maintenance of the County's Comprehensive Emergency Management Plan (CEMP) and Continuity of Operations Plans (COOP). OEM manages the Community Emergency Response Team (CERT) and the Citizen Corps programs, coordinates pre- and post-disaster volunteers, maintains a training and exercise program to test and evaluate all aspects of the emergency management system including activation of the EOC, and implements outreach projects throughout the community.

To carry out these responsibilities, OEM partners with the 35 municipalities and several County agencies, such as Police, Fire Rescue, General Services Administration, Water and Sewer, Public Works, Community Action Agency, Solid Waste Management, and Environmental Resources Management. Additional partnerships exist with educational institutions, private organizations, and non-profit agencies such as the American Red Cross, Salvation Army, Hands on Miami and the United Way; state agencies, such as the Florida Division of Emergency Management, Florida Department of Law Enforcement, Division of Forestry, Florida National Guard, and Florida Department of Health; and federal agencies, such as the Federal Emergency Management Agency and Nuclear Regulatory Commission.

According to FY 2009-10 adopted budget and multi-year capital plan, the Office budget encompasses four different sources: proprietary fees (\$377,000), countywide general fund (\$2,232,000), state funds (\$187,000), and federal funds (\$2,910,000).

Office of Emergency Management Organizational Outline

For the audit period (FY 2009-10), the Office had twenty four (24) positions. Nineteen (19) of those positions were approved in the adopted budget for FY 2009-10, four (4) overage positions funded by grants, and one (1) funded by the Miami Dade Police Department.

Under the Mayor's reorganizational plan, the Fire Rescue Department now includes the OEM.

County ordinances require that departments be accountable for their budgets and must operate efficiently and within budget. Sec. 2-1796 of the County Code, *Managerial Accountability and Performance*, outlines a number of budget provisions that departments must comply with, including the following:

(c) Managers and staff shall not allow the expenditures for any line item (as specified in Section 2-1795(b)) for their department or agency to exceed the total amount appropriated for such line item by the approved budgets providing revenues to that department or agency, as same may be administratively amended in accordance with subsection (d) below.

(d) The County Manager or his or her designee shall have the authority to make intradepartmental budget amendments that reallocate appropriations amongst a department's line item appropriations in each fund provided such reallocations do not cumulatively exceed ten percent of that fund's total appropriations to the department and, further provided that that fund's total appropriations to the department may not be changed. The County Manager shall report such reallocations to the County Commission at the last Commission meeting in July. Reallocations amongst a fund's line item appropriations for expenditures in excess of ten percent of that fund's total appropriations to a department, or which reallocate line item appropriations from personnel services to any other line item, or which cause an increase in a fund's total appropriations to a department must be approved by the County Commission.

(e) Any department director, executive director or individual with the responsibility of budget development and monitoring who anticipates or has reason to believe that the annual budget of a department or agency may exceed the sum appropriated in the approved budget shall immediately provide written notification to the Budget Director. If verified, this information would then be forwarded by the County Manager to the Mayor, the County Commission, and Clerk of the Board.

IV. Summary Results

- OEM was able to provide satisfactory explanations, reconciliations, and supporting documentation to demonstrate the Office is operating within its budget.

- OEM did not complete the Annual Inventory of Capital Equipment Certification due on June 30, 2010. Inventory Certification completed on June 29, 2011 shows that all discrepancies found were reconciled.

V. Findings and Recommendations

Finding 1. OEM did not complete the Annual Inventory of Capital Equipment Certification due on June 30, 2010

A memorandum dated April 21, 2010 regarding annual inventory of capital equipment stated that department directors should submit no later than June 30, 2010, inventory results to General Services Administration (GSA) (currently a part of Internal Services Department). Chapter 274 of the Florida Statutes, the Rules of the Auditor General of Florida, and Miami-Dade County Administrative Order 8-2 requires the completion of an annual inventory in order to maintain accountability for assigned capital equipment.

OEM did not complete the Annual Inventory of Capital Equipment Certification due on June 30, 2010. The lack of reliable information impairs the government's ability to (1) know the quantity, location, condition, and value of assets it owns, (2) safeguard its assets from physical deterioration, theft, loss, or mismanagement, (3) prevent unnecessary storage and maintenance costs or purchase of assets already on hand, and (4) determine the full costs of government programs that use these assets¹. The Inventory Certification for the following year was completed on June 29, 2011.

Recommendation

Continue to complete the Annual Inventory Certification, as required by Administrative Order 8-2, to achieve effective personal property management by governing the use, care, control, and disposal of property.

VI. Best Practices

Based on OCA's analysis, OEM complied with the FY 2009-10 adopted budget. However, OCA noticed that when the grants are loaded in FAMIS, OEM used a general sub-object code. For example the "22430" code, other outside contractors, was used to allocate personnel, operating, and capital expenditures. In most situations when grants are provided, OEM was aware of the percentage allocation for each sub-object category.

As an enhancement to the current process, we recommend that the Office loads the grant budget into FAMIS using their corresponding sub-object or category (e.g. personnel, operating, capital) to facilitate the electronic tracking of expenditures by specific budgeted line item.

¹ Executive Guide Best Practices in Achieving Consistent, Accurate Physical Counts of Inventory and Related Property. GAO-02-447G Best Practices in Inventory Counts. March 2002

VII. Management Response

We have reviewed your narrative and everything looks accurate. Thank you for your assistance.

Aranha, Noel (OCA)

From: Sommerhoff, Curtis (OEM)
Sent: Wednesday, February 15, 2012 9:20 AM
To: Aranha, Noel (OCA)
Cc: Broaster-Doyle, Pamela (OEM); Gilbert, Rosa B. (OCA)
Subject: RE: Budget Compliance Study Office of Emergency Management Project #10-1600000

Good Morning:

We've reviewed your narrative and everything looks accurate. Thank you for your assistance.

CURTIS S. SOMMERHOFF, FPEM
Director, Office of Emergency Management
Miami-Dade Fire Rescue Department
305.468.5403 office
305.468.5401 fax
e-mail: csomm@miamidade.gov
www.miamidade.gov/oem
"Delivering Excellence Every Day"



From: Aranha, Noel (OCA)
Sent: Tuesday, February 14, 2012 12:57 PM
To: Sommerhoff, Curtis (OEM)
Cc: Broaster-Doyle, Pamela (OEM); Gilbert, Rosa B. (OCA)
Subject: Budget Compliance Study Office of Emergency Management Project #10-1600000

Good Afternoon Mr. Sommerhoff

Attached is the draft report for information and comments. Please respond via email if you concur with our report. We again would like thank Pamela Broaster-Doyle and your office for the cooperation and providing the information requested during this study.

Noel

Noel Aranha CPA, CGMA
Acting Audit Manager
Office of the Commission Auditor
Phone: (305) 375-4354
Direct: (305) 375-4927
Cell: (305)496-7342
Conf.Room:(305) 375-5216
Fax: (305) 679-7990
<http://www.miamidade.gov/auditor/>