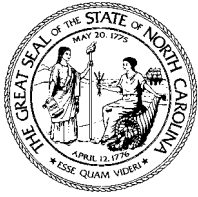


PERFORMANCE AUDIT

NORTH CAROLINA DIVISION OF EMERGENCY
MANAGEMENT

Within
THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

January 2002



Ralph Campbell, Jr.
State Auditor

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AUDITOR'S TRANSMITTAL

January 15, 2002

The Honorable Michael F. Easley, Governor
The Honorable Marc Basnight
President Pro Tempore of the Senate
The Honorable James B. Black
Speaker of the House of Representatives
Secretary Bryan E. Beatty
Department of Crime Control and Public Safety
Members of the North Carolina General Assembly

Ladies and Gentlemen:

We are pleased to submit this performance audit of the *North Carolina Division of Emergency Management within The Department Of Crime Control And Public Safety*. The objectives of the audit were to understand the evolution of the Division and its staffing and organization, examine federal and state programs to identify areas for improvement, and review operational policies, procedures, internal controls, and fiscal management.

This report consists of an executive summary, findings and recommendations, and appendices. The Secretary of the Department of Crime Control and Public Safety has reviewed a draft copy of this report. His written comments are included as Appendix F.

We wish to express our appreciation to Secretary Beatty and his staff for the courtesy, cooperation, and assistance provided us during this effort.

Respectfully submitted,

A handwritten signature in cursive script that reads "Ralph Campbell, Jr.".

Ralph Campbell, Jr.
State Auditor

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EXECUTIVE SUMMARY

The events of September 11, 2001, have focused more attention than ever on the critical role that emergency management must play in modern life. An effective, efficient response to disasters, whether precipitated by nature or by man, is a critical mission for all levels of government.

As the events in New York, Washington, and Philadelphia have shown, all levels of government _ whether local, state or federal _ must be prepared to work together to respond effectively to wide-ranging disasters. Without a coordinated cooperative plan in place, citizens and businesses will not get the response they expect and deserve when disaster comes.

North Carolina has a rich history with natural disasters because of its location in the strike zone for hurricanes. The North Carolina Division of Emergency Management has been a national leader in organizing effective responses to emergency and disaster situations. In recent years, North Carolina has experienced a number of major disasters that have pushed the Division, and the local Emergency Management offices, to their limits.

Through experience, the Division's role has evolved into comprehensive all-hazards management from natural catastrophe to technological and nuclear disasters. The Division accomplishes its mission by partnering with other State agencies, local governments (including local Emergency Management offices), private groups, and non-profit organizations.

As the State's designated primary contact point for the Federal Emergency Management Authority (FEMA), the Division is the conduit for federal emergency and disaster relief funds to the local level. For fiscal year 2000-01, the Division was responsible for \$304 million in federal and State revenues, with approximately 93% of these funds providing direct assistance to victims of disasters.

It should be noted that performance audits, by their nature, focus on areas that might be improved and not on areas where services are effectively administered. Further, it is important to note that the majority of the audit work was accomplished prior to September 11, 2001.

The Division, which is part of the Department of Crime Control and Public Safety, provides services through a central office in Raleigh and three branch offices. To keep on-going personnel costs as low as possible, the Division has only 90 permanent positions supplemented by time-limited and temporary positions, when needed, to respond to a specific disaster or emergency.

The Division hires the majority of its temporary employees through Temporary Solutions, a subsidiary of the Office of State Personnel in Raleigh, for assignment throughout the State. Payroll records show that the Division incurred \$608,230 in overtime costs for temporary employees for fiscal year 2000-01 resulting from assignments to locations outside Raleigh, inefficient scheduling, and large workloads.

Use of temporaries has also limited the "institutional knowledge" of Division staff, particularly in the Hazard Mitigation Section and the Public Assistance Unit. High turnover in these areas has hampered operations, resulting in duplication of efforts and delays in completing projects.

Given its mandate to establish partnerships with local governments and other groups, it is important that the Division encourage and foster cooperative ventures at all levels. One example of successful intergovernmental collaboration is the Military-Civilian Task Force for Emergency Response (MCTFER) program between Camp Lejeune, Onslow County, and the city of Jacksonville.

EXECUTIVE SUMMARY

The program, established in 1998, coordinates all regional emergency service resources, both military and civilian, when a disaster strikes. Local and federal military emergency services work together in a combined system that substantially increases the emergency response potential of any single group.

The effect of a unified military-civilian response during times of disaster is to substantially increase the emergency support capacity. Working groups composed of military and civilian members develop mutual aid agreements, requirements for annual joint exercises and ongoing issues. The efforts of local and military emergency response agencies are augmented by the involvement of military and civilian hospitals, volunteer fire and rescue departments, local law enforcement, Emergency Medical Services, and the local community college.

We would recommend this nationally recognized program as a model for many of our communities, particularly in the eastern part of the state, which hosts many of North Carolina's military facilities and has suffered through many of the worst natural disasters to hit the state.

A key function for the Division is to move necessary personnel, supplies, and equipment to disaster areas as quickly as possible. Location of Division warehouses in each of the three regions of the State would greatly improve response time. Overall, local Emergency Management offices and local government contacts rated the Division of Emergency Management high on accessibility and quality of training. Areas identified as needing improvement included: reduction of the use and turnover of temporary staff in key positions, communications between the locals and the Division, and reduction in "red tape."

Examination of Division records for compliance with specific policies and procedures revealed that the Division has not updated its Administrative Code since 1979. The Operations section lacks specific, written policies and procedures for day-to-day operations; the Division was not complying with requirements to procure telecommunication services through the state; and the Temporary Housing unit was not in compliance with its procedure for re-certifying the eligibility of recipients of services.

Additionally, the Temporary Housing unit incurred unnecessary costs of \$214,130 by allowing temporary employees to use State vehicles to commute to duty stations outside the Raleigh area and from travel and subsistence costs for the operation of the Carteret County Repair and Replacement program. Division management of cellular and satellite telephones needs to be improved to control costs and eliminate personal use of State equipment.

EXECUTIVE SUMMARY
SUMMARY OF MAJOR FINDINGS AND RECOMMENDATIONS
FROM THE PERFORMANCE AUDIT OF
"THE NORTH CAROLINA DIVISION OF EMERGENCY MANAGEMENT"
ISSUED JANUARY 2002

**NORTH CAROLINA
DIVISION OF
EMERGENCY
MANAGEMENT
Major Functions**

FY 00-91 FUNDING

FEDERAL / STATE
\$244.6 M / \$57.9 M

EMERGENCY
SHELTER,
FOOD &
CLOTHING

MANPOWER

TEMPORARY
HOUSING

SUPPLIES &
EQUIPMENT

TECHNICAL
ASSISTANCE

MAJOR CONCLUSIONS:

1: Organization/Staffing

Use of temporaries limits "institutional knowledge," results in work duplication, and increases time.

2: Program Implementation

EM partners with local governments, private groups, and non-profits to implement programs.

3: Operational Compliance

Not complying with some federal and State regulations

MAJOR RECOMMENDATIONS:

1

Establish larger core group of permanent employees

- a) Determine number of staff needed.
 - ☐ Permanent
 - ☐ Temporary
- b) Use local employment resources.
 - ☐ Change schedules as needed.
- c) Match duties / responsibilities to position classification
 - ☐ Document all personnel actions.

2

Improve communications, reduce "red tape," reduce use of temporaries to extent possible

- a) Locate warehouse in each of 3 regions.
 - ☐ Improves response time.
- b) Document all program actions; work with FEMA to resolve outstanding issues.
- c) Complete weather radio project as priority.
- d) Continue to emphasize accessibility and training.

3

Comply with applicable federal and State regulations.

- a) Document actions; follow federal Temporary Housing regulations.
 - ☐ Re-certify applicants' eligibility timely.
- b) Cease using State vehicles for employee commuting.
 - ☐ Use local employees.
- c) Procure telecommunications equipment through ITS; improve oversight.
- d) Establish central files; utilize statewide Fixed Assets System.

AGENCY RESPONSE:

Pay equity study being conducted.

Steps taken re: communications/red tape.

EM will assure compliance to regulations

EXECUTIVE SUMMARY

Specific Findings

Page

Objective 1: Organization and Staffing

- ❑ The Division is paying considerable overtime to temporary employees. 14
- ❑ Lack of stability has hampered grants management in the Hazard Mitigation and Public Assistance areas. 16
- ❑ The Division's finance operation is hampered by lack of communication and direct supervision. 17
- ❑ Employee classifications in the Division's Finance section need to be reviewed. 18
- ❑ Employee files did not contain adequate documentation to support certain personnel actions. 19

Objective 2: Program Implementation

- ❑ Emergency Management's warehousing arrangements could be more responsive. 23
- ❑ Temporary Housing's unit sales program has documentation deficiencies. 24
- ❑ Temporary Housing may have been over-charged for the installation of air conditioners / heat pumps for mobile homes. 25
- ❑ The Weather Radio Project has not been completed due to a number of factors. 26
- ❑ Local Emergency Management offices identified areas of strength at the Division level and areas needing improvement. 28

EXECUTIVE SUMMARY

Specific Findings (Continued)

Page

<i>Objective 3: Operational Compliance</i>

Policies and Procedures:

- ❑ Procedures for eligibility re-certification of emergency disaster victims are not being followed. 30
- ❑ The Operations section lacks written policies and procedures for daily operations. 31
- ❑ Emergency Management's administrative code is not current. 32

Internal Controls / Fiscal Management:

- ❑ Temporary Housing is circumventing the proper use of state vehicles. 32
- ❑ Failure to recruit locally resulted in unnecessary cost in the Carteret County Repair and Replacement Program. 34
- ❑ Checks related to the sale of temporary housing units were not handled properly. 35
- ❑ Emergency Management is not in compliance with North Carolina Information Technology Services telecommunication requirements. 36
- ❑ The Division is not adequately managing cellular phone use. 37
- ❑ The Division is being over-charged for satellite telephones service. 40
- ❑ Cash disbursement policies and procedures for the Department and the Division were inconsistent. 41
- ❑ Neither the Division nor the Department has complete financial documentation for expenditures. 41
- ❑ Emergency Management contracts are not centrally managed and do not contain adequate supporting documentation. 42
- ❑ The Division's fixed asset system is not accurate and duplicates the statewide fixed asset system. 43

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AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

North Carolina General Statutes (GS) 147-64 empowers the State Auditor with authority to conduct performance audits of any State agency or program, as well as local entities receiving State and federal funds. Performance audits are reviews of activities and operations to determine whether resources are being used economically, efficiently, and effectively.

This audit of the **Division of Emergency Management** within the Department of Crime Control and Public Safety was undertaken at the discretion of the State Auditor. The Auditor felt that since North Carolina continues to experience a number of emergencies and natural disasters, a review of the Division for the purpose of identifying areas where improvements could be made was in the best interest of the State. The audit covered all major functional areas of the Division. Specific objectives were to:

- Understand the evolution of the Division of Emergency Management and how the Division is organized and staffed;
- Examine the process for implementing FEMA and State programs and identify areas where changes can improve the efficiency and effectiveness of operations; and
- Review the Division's operational policies and procedures, internal controls, and fiscal management for compliance to regulations.

During the period of February through October 2001, we completed fieldwork for the audit, with specific work on the Hurricane Floyd Reserve Fund being conducted during February through April¹. To achieve the audit objectives, we employed various auditing techniques which adhere to the generally accepted auditing standards as promulgated in *Government Auditing Standards* issued by the Comptroller General of the United States. These techniques included:

- Review of existing General Statutes, federal laws and North Carolina Administrative Codes as they relate to the Division;
- Review of the Division's internal policies and procedures;
- Site visits to the Division's three branch offices;
- Review of existing audits and studies conducted on the Division;
- Examination of organizational charts, job descriptions, payroll, and personnel data;
- Analyses of financial statements and samples of expenditures, purchase orders, and contracts;
- Review of fixed assets;
- Interviews with key personnel within the Division, as well as with persons external to the Division;
- Surveys of Local Emergency Management Offices and Local County Managers; and
- Gathered data on other states' Public Assistance and Hazard Mitigation Programs.

¹ See Office of the State Auditor report entitled, *Hurricane Floyd Reserve Fund*, dated June 2001.

AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

This report contains the results of the audit including conclusions and recommendations. Specific recommendations aimed at improving the operations of the Division in terms of economy, efficiency, and effectiveness are reported. Because of the test nature and other inherent limitations of an audit, together with the limitations of any system of internal and management controls, this audit would not necessarily disclose all weaknesses in the system or lack of compliance. Also, projection of any of the results contained in this report to future periods is subject to the risk that procedures may become inadequate due to changes in conditions and/or personnel, or that the effectiveness of the design and operation of the procedures may deteriorate.

FINDINGS AND RECOMMENDATIONS

Introduction

The major duty of the Division of Emergency Management is to assist North Carolina's citizens and local governments in our preparation for, response to, and recovery from emergency and disaster situations. The major goal of the Division is to reduce the number of people affected by future disasters and to more effectively respond to the needs of the disaster victims when an event occurs. By definition, the Division must perform many of its duties in a "crisis" or "emergency" situation. North Carolina citizens expect and demand immediate and continued assistance whenever we experience a disaster. The Division provides this assistance directly through administration of federal and State programs and coordination of services provided by a number of State agencies. This is not an easy task even in the best of situations. Yet, the North Carolina Division of Emergency Management is identified by the Federal Emergency Management Agency (FEMA) as one of the best state emergency management operations in the nation.

In recent years, North Carolina has experienced a number of major disasters that have pushed the Division, and the local Emergency Management offices, to their limits. Despite that, we found commitment and dedication in a number of areas as we conducted this audit. We found that Division personnel continually work to achieve improvements in their responsibilities. To illustrate, we note a number of the Division's documented successes in responding to Hurricane Floyd in 1999 as compared to responses to Hurricane Fran in 1996:

- Division Mitigation staff completed the Hurricane Floyd Hazard Mitigation Grant "buy-out" Program application process in record time. On the one-year anniversary of Hurricane Fran, only 9 out of 127 projects (7%) had been submitted to FEMA. By comparison, on the one-year anniversary of Hurricane Floyd, 116 out of 147 projects (79%) had been submitted.
- The Division's Public Assistance section handled a total of 7,896 projects resulting from Hurricane Fran. Over five years later 7,681 are closed with 215 open, a 97.3% closure rate. By comparison, Hurricane Floyd had 6,693 projects. At the time of the audit only 556 remained open, a closure rate of 91.7% in only two years. This success can be attributed to the establishment of "close out teams", trained staff members who expedite close outs for the applicants. Implementation of these teams has allowed the Division to focus on getting old projects off of the books and money into the hands of the applicants.
- During Hurricane Floyd, Division response capabilities surpassed previous operations. Staff coordinated the evacuation of more than 300,000 people (permanent residents and visitors) from high risk areas of the coast and coastal plain; managed a mass care operation that housed more than 62,000 people at 227 shelters statewide; delivered over 450,000 Meals Ready to Eat (MREs) to impacted people; provided more than 16,000 cots to shelters in the coast and coastal plain; procured and delivered more than 1.5 million gallons of water to the impacted region; provided over 800,000 pounds of ice to disaster victims, and managed more than 200 generator missions for auxiliary power.
- To ensure rapid implementation, the Division elected to operate the Temporary Housing Program rather than rely on FEMA and the U.S. Army Corps of Engineers. The Division, in collaboration with other state agencies, has successfully provided temporary housing for over 2,500 families left homeless following Floyd. Of special note, Division staff were able to identify the requirements for temporary housing sites, find locations, secure contractors to install the infrastructure, secure

FINDINGS AND RECOMMENDATIONS

vendors to purchase the travel trailers, identify and qualify the families, and implement the temporary housing project in less than five days after the initial flooding.

- The Division also provided 180 temporary homes under a program created with State funds to fill critical gaps left by the federal program guidelines. At present, 60 families have purchased the manufactured homes made available to them as temporary housing, thus transitioning from renters to homeowners.
- A further benefit to the State from the Temporary Housing program was the use of many in-state contractors and the purchase of manufactured homes from North Carolina vendors. This program alone infused over \$70 million into the State's economy at a very critical time.

This section of the report details the individual findings and recommendations for each of the major objectives of the audit. We should note that performance audits, by nature, *focus on areas where improvements can be made to increase the effectiveness and efficiency of the operation under audit.* Therefore, the following findings and recommendations should be viewed keeping this in mind.

Objective 1: To understand the evolution of the Division of Emergency Management and how the Division is organized and staffed.

To satisfy this objective, we examined current organizational charts, personnel records, internal reports on staffing needs, and use of temporary employees. Secondly, an analysis of the financial statements was performed for a period of five years. We also reviewed historical data on the evolution of the Division, as well as current statutory requirements for the Division. Finally, we surveyed local county governments and local emergency management offices to obtain data on how the Division's organization and staffing affected services.

Conclusions: Located within the Department of Crime Control and Public Safety, Emergency Management's roots are found in the civil defense program. The Division is charged with preventing, preparing, responding and recovering from natural or man-made disasters, or hostile military or paramilitary action. The Division provides services through a central office in Raleigh and three branch offices responsible for 15 areas across the State. To keep on-going personnel costs as low as possible, the Division has only 90 permanent positions supplemented by time-limited and temporary positions when needed to respond to a specific disaster or emergency situation. The Division hires the majority of its temporary employees through Temporary Solutions, a subsidiary of the Office of State Personnel in Raleigh, for assignment throughout the State. Payroll records show that the Division incurred \$608,230 in overtime costs for temporary employees for fiscal year 2000-01 resulting from assignments to locations outside Raleigh, poor scheduling, and large workloads. Use of temporaries and time-limited staff has also limited the "institutional knowledge"

FINDINGS AND RECOMMENDATIONS

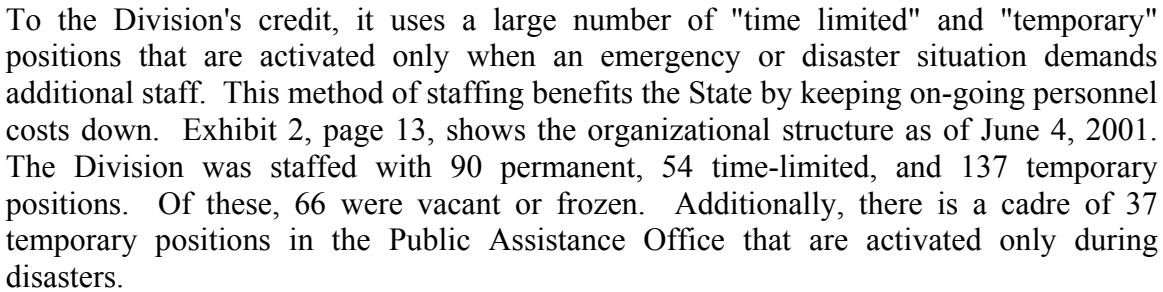
of Division staff, particularly in the Hazard Mitigation Section and Public Assistance unit. High turnover in these areas has hampered operations, resulting in duplication of efforts and delays in closeout of projects. Lastly, non-contiguous location of personnel in the Division's Finance section has resulted in poor communications and lack of direct supervision.

Overview:

The Department of Crime Control and Public Safety was created in 1977 to strengthen the State's public safety efforts by concentrating the responsible agencies into one department. Its major functions are to reduce crime and enhance public safety through planning and coordinating response, recovery, and mitigation efforts in the event of a disaster; fostering collaboration among justice agencies and the broader community; enforcing regulations and laws within the jurisdiction of the Department; managing resources to support crime prevention efforts; and assisting victims of crime. Many of the State's primary emergency response agencies, such as the State Highway Patrol, Alcohol Law Enforcement, National Guard, the Civil Air Patrol, and the Division of Emergency Management are located in the Department.

Passage of the Emergency Management Act of 1977 codified the purpose of the Division of Emergency Management within the Department. Emergency Management's roots are found in the civil defense program. When an emergency or disaster occurs and adequate response is beyond the capability of local government, the Division of Emergency Management takes action. The Division of Emergency Management is charged with preventing, preparing, responding and recovering from natural or man-made disasters or hostile military or paramilitary action. To accomplish these functions, the Division has a central office in Raleigh, with three branch offices covering five areas each, as shown in Exhibit 1, page 12. A Branch Manager heads each branch office. An Area Coordinator is assigned to each of the 15 areas, providing preparedness, response, recovery, and mitigation training and assistance to the public and local entities.

The Director of Emergency Management oversees six major functional sections: 1) Education and Emergency Information, 2) Hazard Mitigation, 3) Operations, 4) Logistics, 5) Information and Planning, and 6) Finance. In addition to these six functional sections, the Division has legal and administrative staff who assist in all functional areas. Also, with funding from the Hurricane Floyd Relief Fund, the Division implemented the Permanent Replacement Housing Program. Under this program, the Division, in conjunction with the Office of the Governor and the Department of Correction, builds replacement houses with local units of government for Hurricane Floyd victims in North Carolina.



FINDINGS AND RECOMMENDATIONS

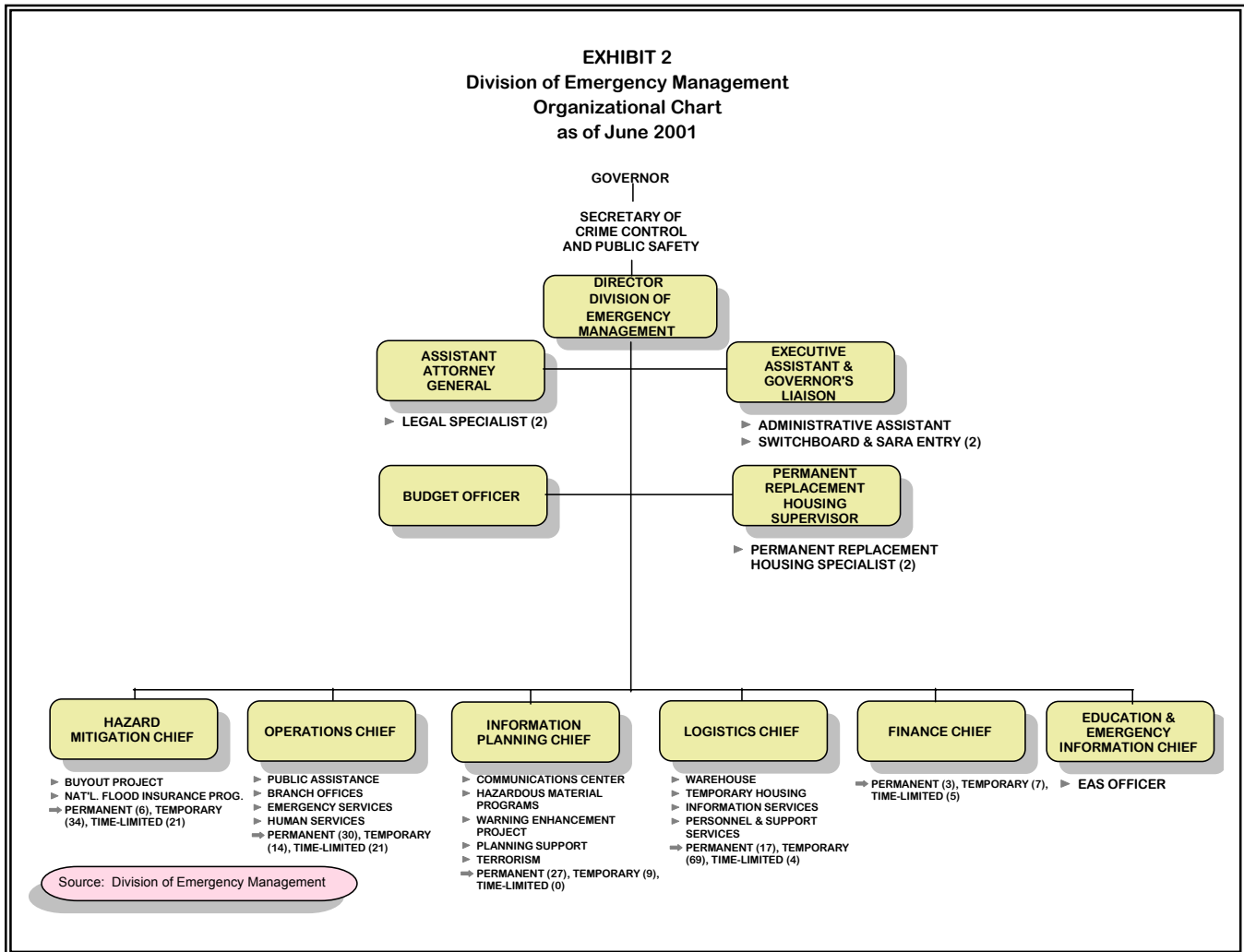


Table 1, page 14, shows the Division's revenues and expenditures for fiscal years 1996-97 through 2000-01. Two major emergency situations occurred during the period shown, Hurricane Fran in September 1996 and Hurricane Floyd in September 1999, which significantly affected both revenues and expenditures. Examination of funding for fiscal year 2000-01 shows that the federal government (primarily FEMA) provided approximately 80% of the total revenues. These funds included the program flow-through funds (such as those to pay recipients of Public Assistance and Hazard Mitigation grants), and administrative expense funds. The State is required to make matching payments for many of the FEMA programs ranging from 10% to 25%, while other projects are supported 100% by FEMA. The General Assembly appropriated \$2,923,563 to Emergency Management for its operating budget, approximately 1% of the total revenues received. Power companies also provided funds for training, drills, and other radiation protection services. Miscellaneous revenues amounted to \$520,933 and included a private donation of \$450,000.

FINDINGS AND RECOMMENDATIONS

The Department of Crime Control and Public Safety staff provides support for the budgeting and accounting functions for the Division, and writes the checks for recipients of the programs. Department staff also maintain the records on drawdowns of State and federal funds and supporting documents for the payables.

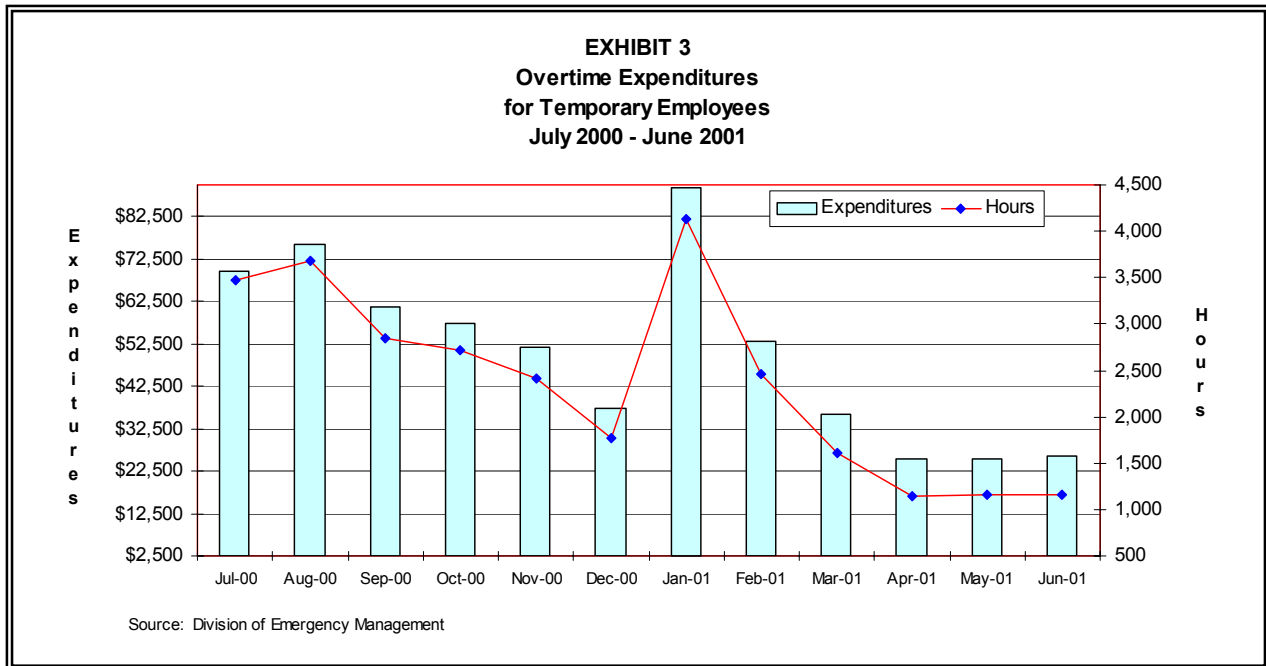
TABLE 1 Division of Emergency Management Expenditures and Revenues FY1996-97 through FY2000-01					
	FY2000-01	FY1999-00	FY 1998-99	FY1997-98	FY1996-97
Expenditures					
Personal Services	\$ 6,140,461	\$ 6,843,215	\$ 5,258,617	\$ 3,842,619	\$ 3,862,603
Purchased Services	10,511,955	21,274,233	4,142,859	5,663,622	5,458,245
Supplies	526,251	3,715,738	327,326	314,471	618,928
Property, Plant & Equipment	3,774,534	48,958,061	724,429	975,353	2,247,179
Other Expenses & Adjustments	10,018,987	1,573,363	95,265	152,498	79,674
Aid and Public Assistance	192,121,543	252,172,955	61,936,895	36,326,315	142,185,016
Intergovernmental Transfers	81,076,352	37,327,542	20,534,434	26,789,325	68,285,535
Total Expenditures	\$304,170,083	\$371,865,107	\$93,019,825	\$74,064,203	\$222,737,180
Revenues					
Federal	\$235,319,443	\$265,200,227	63,347,661	\$51,183,587	\$189,796,624
*Sales--FEMA Trailers	9,242,711				
State Appropriations	2,923,563	2,510,084	3,282,970	2,304,049	2,982,526
Transfers, Refunds	55,005,189	101,894,360	24,654,947	19,486,391	28,151,571
Miscellaneous	\$ 1,679,177	2,260,436	1,734,247	1,090,176	1,806,459
Total Revenue	304,170,083	\$371,865,107	\$93,019,825	\$74,064,203	\$222,737,180
*Flow Through--FEMA trailers were sold by State Surplus Property; the proceeds are returned to FEMA					
Source: Crime Control and Public Safety					

THE DIVISION IS PAYING CONSIDERABLE OVERTIME TO TEMPORARY EMPLOYEES.

The Division hires the majority of its temporary employees through Temporary Solutions, a subsidiary of the Office of State Personnel, for assignment throughout the State. Temporary Solutions is responsible for providing temporary staffing services to State agencies primarily in the Raleigh area. The agency pays these employees and bills the Division of Emergency Management monthly based on agreed-upon rates plus an overhead charge. In addition, two private temporary agencies, also located in the Raleigh area, provided legal and administrative staffing to the Division.

An examination of payroll records revealed that the Division was paying significant amounts of overtime to temporary employees. Since these temporary employees are subject to the Fair Labor Standards Act, hours worked in excess of 40 per week are paid at time and a half. Emergency Management incurred \$608,230 in overtime costs from July 2000 through June 2001. See Exhibit 3.

FINDINGS AND RECOMMENDATIONS



We examined time sheets from July 2000 through June 2001 for a sample of 25 temporary employees. These 25 temporary employees worked an average of 989 hours of overtime each month. As a result, we expanded our review to analyze invoices for payments for all 177 temporary employees working during this period. We calculated that temporary employees worked an average of 2,380 overtime hours per month. This would be 28,560 hours for the year or an equivalent of 13.73 full-time positions. According to Emergency Management officials, overtime was necessary to meet workload demands due to downsizing of operations, tight deadlines to close out programs, meeting with clients after normal business hours at night or on weekends, and driving time to work locations (see finding on page 32 for additional discussion on this issue). While management reported Division downsizing due to FEMA recommendations, we found no documentation requiring the section to reduce the use of temporary staff.

RECOMMENDATION

Emergency Management should closely examine the workloads for temporary employees and determine whether the appropriate number of staff is used. Further, to reduce unnecessary overtime, management should exhaust all local employment resources before hiring temporary employees in the Raleigh area to work in other locations. Finally, management should consider changing the schedules of employees whose duties require much of their work to be performed at night or on weekends.

FINDINGS AND RECOMMENDATIONS

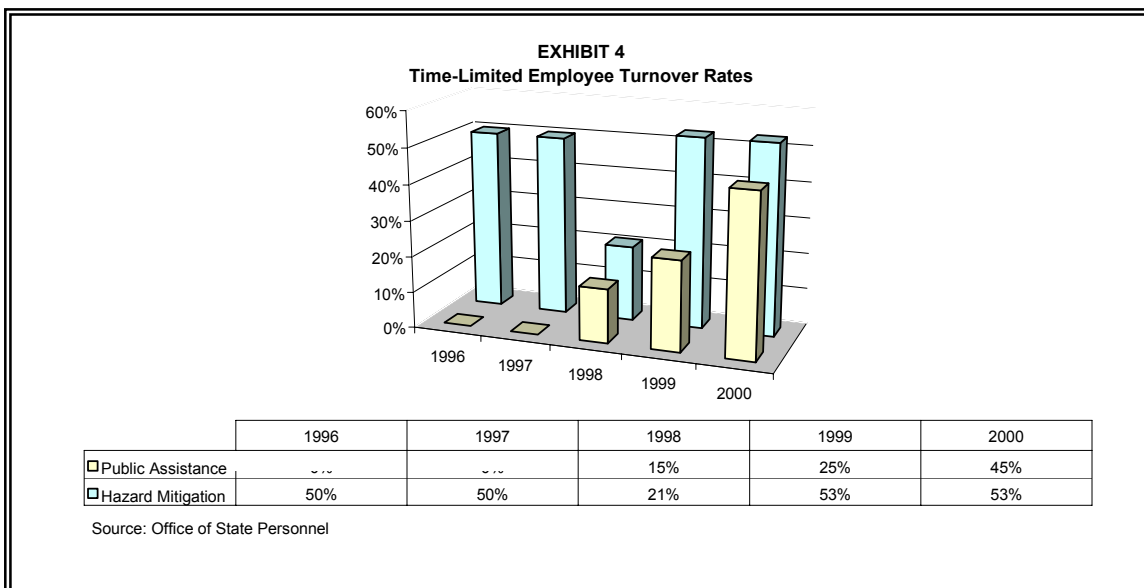
LACK OF STABILITY HAS HAMPERED GRANTS MANAGEMENT IN THE HAZARD MITIGATION AND PUBLIC ASSISTANCE AREAS.

The intermittent nature of disasters requires Department and Division management to find a way to provide sufficient personnel when needed while limiting costs. To this end, Division management has staffed sections with a large number of “time limited” and “temporary” positions. This course of action does limit the ongoing personnel costs to the State, but it also has the effect of limiting “institutional knowledge” since the

same people are not in place from disaster to disaster. Table 2 shows the number of positions by type for each of the sections at the time of the audit.

TABLE 2 Position Breakdown by Section As of June 2001			
SECTION	PERMANENT	TIME LIMITED	TEMPORARY
Administration	5	3	4
Hazard Mitigation	6	21	34
Operations	30	21	14
Information Planning	27	0	9
Logistics	17	4	69
Finance	3	5	7
Education/Information	2	0	0
TOTALS	90	54	137
Source: Office of State Personnel			

While we found the use of time limited positions to be problematic throughout the Division, we noted particular problems within the Hazard Mitigation Section and Public Assistance Unit. Turnover in the Hazard Mitigation section has been as high as 53% since 1996. While the Public Assistance Unit did not use time limited positions prior to 1998, since that time the Unit has experienced employee turnover as high as 45%. These turnover rates do not include temporary employees. See Exhibit 4 below. The role of the employees in these positions is to provide technical assistance in mitigation and risk assessment techniques to local government entities and other State agencies. They also administer and monitor federal grants to State and local government entities. The high turnover rates have hindered services provided to the local governments and have



FINDINGS AND RECOMMENDATIONS

resulted in delays in project closeouts.

A survey of county managers (see Appendix A, page 47, for summary results) indicated that employee instability resulted in inefficiencies in these sections, including:

- Inexperienced grant administrators with limited knowledge,
- Delay in closeout of projects due to:
 - training required for new temporary grant administrators and
 - increased workloads placed on knowledgeable administrators,
- Providing continuous updates of previous project events to the “revolving door” grants administrators,
- Time wasted due to duplication of documents lost in the turnover of administrators, and
- Inconsistent information obtained from changing grant administrators.

Each of the 40 temporary and time-limited grant administrators are handling an average of \$28,648,400 in grant funds for 11 open disasters as of September 2001. North Carolina has experienced 17 disasters between 1985 and 2000 with cost exceeding \$1.8 billion of which the State has committed \$982 million. Expectations are that the likelihood of disasters will not decrease. The number and severity of disasters experienced by North Carolina make continuity and correctness of information extremely important in expediting the recovery process.

RECOMMENDATION

Department and Division management should continue to request the permanent positions in the budget process. Once budget approval is received, a request for assistance from the Office of State Personnel to complete reclassification of the positions should be made. This study should include establishing pay schedules to enhance retention of key personnel and to mitigate turnover. Consideration should be given to establishing a larger core group of permanent positions for key functions such as Hazard Mitigation and Public Assistance to ensure consistency and continuity of operations and to improve the Division's overall efficiency.

THE DIVISION'S FINANCE OPERATION IS HAMPERED BY LACK OF COMMUNICATION AND DIRECT SUPERVISION.

The Finance Section of the Division of Emergency Management is responsible for processing administrative and program expenses for State emergency management operations and forwarding those to the Department Controller's Office for final processing. Our review of the procedures and processes used showed lack of communication within the Finance Section and between the Finance Section and the Department Controller's Office. An example illustrating the problems follows.

- ❑ Due to space limitations and job functions, part of the Division finance staff is housed in the downtown location and part is in a separate off-site location with program staff. This

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placement contributes to communication disconnect and complicates supervision of staff. For example, staff at each location prepared requests for \$22.5 million in reimbursements for public assistance administrative costs without knowing other staff were working to perform this same task. Division policy states that the Finance Director, located in the downtown office, must approve all payments. However, since staff were not co-located, other staff in the second location approved most (57%) of the payments and forwarded them to the Department Controller's Office for payment and drawdown of federal funds. Upon receiving signed requests, the Controller's Office applied for the FEMA funds.

- ❑ Further, a FEMA review showed that earlier expenditures had been improperly coded on drawdowns. Because of that review, the Finance Director was under the impression that the funds would not be drawn down until he sent a properly coded request with his signature to the Controller's Office. To address this problem, the Director had staff create a database for each individual payable from November 1999 through July 2001 showing proper coding. This process took several months.² The Director was not aware that the funds had already been drawn down by the Controller's Office until we brought all parties together to discuss the issue.

As illustrated by the example above, staff performed duties without understanding the relationship between their duties and others in the Finance Section or the Controller's Office. The Finance Director was unable to closely supervise staff at the second location and was, at times, unaware of the work being performed. The lack of communication among staff in the Finance Section and the lack of communication with the Department Controller's Office staff resulted in duplication of work and misinformation.

RECOMMENDATION

The Department Controller's Office staff and the Division Finance Section staff should jointly develop explicit guidelines and procedures for processing payables and drawdowns. As part of those procedures, the approval of requests for reimbursement should be signed by the Division Finance Director. The Finance Director should be aware of what staff is doing and work to improve coordination of assignments and communications among staff. This might best be accomplished by housing all Division finance staff in one central location.

EMPLOYEE CLASSIFICATIONS IN THE DIVISION'S FINANCE SECTION NEED TO BE REVIEWED.

The scope and type of financial transactions handled by the Finance Section requires considerable accounting knowledge. However, we noted staff were classified in several position classifications that did not seem to fit their duties. The Finance Director position is not classified as an accounting position. The current Finance Director's classification

² The result of this work was a new computerized method of accounting for program management expenses. The information generated by the new (Access) system is valuable as a management tool. The data entered into this system could also provide the necessary coding for payment requests and drawdown data sent to the Department Controller's Office without the information having to be re-coded.

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is "Emergency Management Section Manager". This classification does not specify knowledge, skills, and abilities that are consistent with the duties and responsibilities of that section. In our opinion, the position description is not specific enough to ensure that the incumbent possesses the necessary accounting skills and abilities needed to perform the duties required.

Another example of position classification not matching the duties being performed was for the Government Accounts Auditors. Four of the time-limited staff are classified as Government Accounts Auditors, yet their responsibilities are more consistent with those of a Processing Assistant, Accounting Technician, or an Accounting Clerk in that section. While three of the staff are performing limited audit type job duties, the major function of these employees is to process payables, a duty more consistent with the classification of accounting technicians or clerks.

RECOMMENDATION

The Department and the Division should request the Office of State Personnel re-examine the duties of Finance Director and Government Accounts Auditor positions in the Finance Section. The position classifications should be better matched to the duties and responsibilities of the positions.

EMPLOYEE FILES DID NOT CONTAIN ADEQUATE DOCUMENTATION TO SUPPORT CERTAIN PERSONNEL ACTIONS.

We judgmentally selected a sample of 42 of 145 employee personnel files to examine for compliance with State regulations. Specifically, we reviewed position descriptions, hiring packets, and performance evaluations to determine compliance to regulations and whether employees met the minimum qualifications for their positions. Results of the review were:

- ❑ 8 instances (19%) where the files did not contain adequate documentation. Problems included such items as lack of original applications, interview forms, and personnel action forms.
- ❑ 14 instances (33%) instances where interim performance evaluation reviews were not conducted or documented.

The personnel files and hiring packets are maintained by the Department, while the position descriptions, performance evaluations, and copies of other items sent to the Department are kept at the Division. This decentralization of files may contribute to the missing documents. The lack of documentation could place the Department at risk should an employee file a grievance or lawsuit. Furthermore, the absence of the interim review limits the supervisor's ability to advise and coach an employee who is not meeting expectations in an effort to improve his/her performance.

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RECOMMENDATION

The Department and Division should take immediate steps to adequately document all personnel actions. Management should ensure that personnel files comply with State regulations and contain all relevant records for each employee and documentation of all decisions made. The Department should consider maintaining all personnel information in one location (either the Department or Division) to reduce the possibility for lost information. The Division should maintain an active performance management system as required by State regulations. Division management should ensure that all supervisors complete and document interim reviews timely.

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Objective 2: To examine the process for implementing FEMA and State programs and identify areas where changes can improve the efficiency and effectiveness of operations.

To achieve this objective, we examined federal and State laws and regulations affecting the programs within the Division of Emergency Management and reviewed data for selected programs based on issues identified in the preliminary stages of the audit. We reviewed overall operations, with particular emphasis on warehousing and other logistical methods employed to respond to disasters. We also examined the functions of the Temporary Housing Program, which included the purchase, inventory, and sale of mobile homes and travel trailers. A review of applicant files was conducted to determine compliance with federal and state regulations for the sale of these homes. Lastly, we surveyed local county government officials and local emergency management offices to obtain data on services received and needed from the Division.

Conclusions: To accomplish its goal of assisting citizens and local governments, the Division partners with local governments, private groups, and non-profit organizations to protect the people of North Carolina from the effects of natural and man-made disasters. As the State's primary FEMA contact, the Division administers programs and disburses funds, both federal and State, to the local level. A key function is to move needed personnel, supplies, and equipment to disaster areas as quickly as possible. Location of Division warehouses in each of the three regions of the State would improve response time. One of the programs undertaken by the Division as a result of Hurricane Floyd was direct administration of the FEMA Temporary Housing program. Examination of program operations revealed a number of non-compliance issues that will need to be resolved before the grant can be closed out. Overall, local Emergency Management offices and local government contacts rated the Division of Emergency Management high on accessibility and quality of training. Areas identified as needing improvement included reduction of the use and turnover of temporary staff in key positions, communications between the locals and the Division, and reduction in "red tape."

Overview:

The main purpose of the Division is to assist people to effectively prepare for, respond to, recover from, and mitigate against all hazards and disasters. The Division accomplishes this by partnering with local governments, private groups, and non-profit organizations. Therefore,

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intergovernmental collaboration at all levels is essential to the effective response to citizens' needs in emergency situations.³ Through experience, the Division's role has evolved into comprehensive all-hazards management from natural catastrophe to technological and nuclear disasters. The Division is designated as the primary contact point for the Federal Emergency Management Agency (FEMA). In this capacity, it serves as the conduit for federal emergency and disaster funds to the local level. Assistance, both federal and State, is given through a number of different programs for which the Division has overall State responsibility. The majority of services are provided by the following sections:

Education & Emergency Information--This section is responsible for educating citizens about family preparedness for emergencies and disasters. Efforts include sponsorship of the Severe Weather Awareness Week and exhibits at shopping centers and conventions. A second major function is providing vital information to the public through the media about protective actions. An example of public notification of protective actions is the development of the Emergency Alert System, a cooperative effort between the Division and commercial broadcasters.

Hazard Mitigation--This section seeks to reduce the risk of loss of life or damage to structures, property, or infrastructure through community planning and risk reduction techniques. Efforts include the acquisition of homes, the elevation of flood-prone properties, the re-mapping of the State's floodplains, the development of local hazard mitigation plans, the identification of business risk reduction strategies, and the building of affordable housing outside the floodplain that incorporates wind-resistant and energy saving construction techniques.

Operations--This section is the contact between the Federal government and victims of disasters for repair and replacement to roads, bridges, buildings, and equipment damaged during disasters. Also, the Operations section works to strengthen local emergency management capabilities by providing planning support, communications, and technical services to local governments and emergency management offices. Finally, branch employees assist local government with response and recovery efforts including search and rescue missions. Public Assistance, Branch Offices, Human Services, Emergency Services, and Infrastructure Planners are located within the Operations section.

Logistics--The Logistics Section consists of three groups. 1) The Operations Support Group coordinates and assists in response and recovery actions by providing equipment, material, and supplies as well as transportation services. 2) The Personnel Services Support Group is responsible for recruiting and training employees, processing time and attendance records for all Emergency Management personnel, requisitioning, receiving, inventorying, distributing, and accounting for operating supplies and equipment. This group also processes requests for goods and services for the entire Division. 3) The Information Services Group provides the overall coordination, acquisition, and

³ One example of successful intergovernmental collaboration is the MCTFER program between Camp Lejeune, Onslow County, and the city of Jacksonville. See Appendix D, page 67 for details.

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implementation of information technology resources. This group reviews and authorizes all acquisition, installation, and implementation of information technology.

Information & Planning--Information and Planning is responsible for collecting, analyzing, interpreting, and distributing information relative to North Carolina Emergency Management in preparation for, response to, recovery from, and mitigation of disasters and emergencies. This section consists of Planning Support, Technical Services, and Communication.

Finance--This section manages financial accountability for all payables, contracts, and grants for the Division.

EMERGENCY MANAGEMENT WAREHOUSING ARRANGEMENTS COULD BE MORE RESPONSIVE.

A key function for any emergency management operation is to get personnel, supplies, and equipment to disaster areas as quickly and efficiently as possible. Currently the Division operates a single, central warehouse facility for storage and staging supplies and equipment to respond to emergencies. To improve efficiency and response time, the Division devised the Operational Planning Evaluation and Resource Analysis (OPERA) system. OPERA is a combination planning and operational tool that allows the State to work in concert with counties to address resource needs in reaction to a disaster. Another Division initiative in conjunction with the Red Cross is the provision of the necessary supplies to stock small trailers that are staged at local sites.

The Division has a number of additional initiatives underway to further improve response time. In 2001 Congress allocated \$1 million for the acquisition and construction of a 12,500 square foot warehouse facility⁴ in Badin, North Carolina (Stanly County). Currently, the Division rents warehouse space in Raleigh to store supplies and equipment. Plans are to move all supplies to the Badin warehouse and relinquish the rented warehouse space in Wake County. To better utilize the new warehouse space, the Division plans to use vertical storage methods. With the opening of the Badin warehouse, the Division believes it will be in a position to deploy supplies and equipment to disaster areas anywhere in the state within seven hours if roads are clear. However, this premise has not been tested under emergency circumstances. The Division also plans to increase its use of containerized supplies and equipment and continues to explore other methods to improve emergency preparedness and response.

The Division uses both land transport and cargo airplanes to get the items to the affected areas. The Badin warehouse is adjacent to the Stanly County Airport, which is capable of handling large military cargo aircraft used to transport items. However, the site location may not be conducive to rapid land response for disasters in many areas of North

⁴ Budgeted cost is \$769,830 which includes land, building and future improvements.

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Carolina, particularly if roads are impassable. Additional warehouse space in strategic locations could allow the Division to respond more rapidly anywhere in the State.

RECOMMENDATION

The Office of the State Auditor supports Division efforts to improve emergency response. To this end, we believe consideration should be given to establishing two additional warehouse locations: one in the east and one in the west. A possible eastern location would be the Global TransPark where the State already owns land. The TransPark has an existing airstrip capable of handling large military cargo aircraft and offers proximity to eastern North Carolina, an area subject to considerable storm damage. The Asheville County Airport could be a potential western location since it is also capable of handling the cargo aircraft needed to transport necessary supplies and equipment to remote locations.

TEMPORARY HOUSING'S UNIT SALES PROGRAM HAS DOCUMENTATION DEFICIENCIES.

One of the federal programs offered to persons who have lost their homes in emergency / disaster situations is temporary housing. FEMA funds can be used to purchase mobile homes and travel trailers for temporary use while victims repair existing homes or find replacement homes. Once the temporary mobile homes are no longer needed, FEMA has authorization to sell them. The State Emergency Management personnel, as the FEMA contact, must comply with a number of regulations regarding the sale of mobile homes. Our examination of documents related to mobile home sales showed a number of incidents of non-compliance, as outlined below.

- Federal regulations allow the FEMA Regional Director to sell mobile home units to temporary housing occupants when adequate alternative housing is not available. The Regional Director can delegate that responsibility to State authorities. FEMA regulations require the delegation to be written and to cite the specific duties that are being assigned. We learned that the Regional Director had verbally delegated this responsibility to North Carolina's Temporary Housing Chief Officer. However, the delegation was not in writing, as required by FEMA policy.
- According to the Chief, the delegation authorized him to approve or deny sales, with the paperwork to be sent to the FEMA Project Officer for final approval. A review of nine (20 %) of the 45 mobile home sales that had been completed as of July 12, 2001 showed that the Project Officer only approved four of the sales. There was no documentation showing FEMA approval.
- FEMA regulations require determination that an applicant has adequate resources to purchase a mobile home. To do this, the staff must verify the applicant's personal assets, income, and the unspent amount of Individual Family Grant (IFG) or Small Business Administration (SBA) funds received by the applicant. To verify the unspent IFG/SBA funds, the staff obtains receipts for qualified purchases for replacement items reported lost in the disaster. The allowable expenditures are deducted from the initial IFG/SBA funds, and the balances of these funds are used to determine the "adjusted sales price" of the mobile home. Three (33%) of the nine sales reviewed lacked documentation that the Mobile Home Sales staff had verified the allowability of

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the applicants' IFG/SBA receipts. For one of the three sales, the "adjusted sales price" was set well below the amount of IFG/SBA funds that the applicant received. The applicant may have paid up to \$1,500 less than required for the mobile home.

- The grant agreement between North Carolina and FEMA for the Temporary Housing Program allows the State to recover 100% of the actual program costs for administering the grant⁵, including the costs of selling the used mobile homes and travel trailers. The State Surplus Property Agency has been charged with selling temporary housing mobile homes and travel trailers through its sealed bid process. The standard fee charged by State Surplus is 5% of the sales price to cover its costs. FEMA has questioned whether the 5% fee exceeds actual costs. Currently, State Surplus is not maintaining complete cost data related to the sale of the temporary housing units, nor has it been asked by Emergency Management or Temporary Housing to maintain such records. As of July 30, 2001, State Surplus had collected \$12.3 million from the sale of 1,735 temporary housing units and had withheld \$615,454 to cover its fee. The allowability of State Surplus's fee is currently an open issue between the State and FEMA which will have to be resolved before the grant is closed out.

We also reviewed a sample of 62 of 302 applications for which sales had not been completed as of July 16, 2001. We found that all 62 of the application files contained multiple deficiencies such as missing or incomplete documentation and forms. Additionally, the status of 34 of the files was listed as "pending" between 43 and 505 days after the initial application date. The files did not contain documentation explaining the pending status. The incompleteness of many of the application files makes it difficult to understand the rationale for decisions made by the Mobile Home Sales staff.

RECOMMENDATION

The Temporary Housing Chief Officer should obtain the required written authority from the FEMA Regional Director to ensure that all future mobile home sales are handled properly or defer the approvals of such sales to the FEMA Project Director. Additionally, the Temporary Housing Unit should verify all IFG/SBA receipts submitted by applicants to ensure the expenditures were made for items reported lost in the disaster. Emergency Management and State Surplus should take steps to resolve the issue of the fee charged by State Surplus. Finally, the Temporary Housing Unit should expedite the review of all applications to include fully documenting decisions and ensuring all required documentation is included in the files.

TEMPORARY HOUSING MAY HAVE BEEN OVER-CHARGED FOR THE INSTALLATION OF AIR CONDITIONERS / HEAT PUMPS FOR MOBILE HOMES.

The Department of Crime Control and Public Safety issued a Request for Proposal (RFP) for mobile home set-up services for temporary housing units to be used by victims of

⁵ 44 CFR part 13.22 states that grant funds may be used only for allowable costs of the grantees and sub-grantees, and fees and profits are not allowable.

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Hurricane Floyd. The RFP specified that the contractors would provide air conditioner/heat pump units as part of the basic set-up. However, the installation of the air conditioners/heat pumps was listed as an optional item in the specifications section of the RFP. In October 1999, the State awarded six contracts that allowed the contractors to include the costs of providing and installing the units as a separate line item on their invoices. A November 17, 1999 memorandum from FEMA to the North Carolina Temporary Housing staff specifically stated that

“...the contractor is required to provide the air conditioner/heat pump unit as part of the basic set-up. If a contractor bills for this item separately, the amount should be deducted from the basic set-up price in order to avoid a double billing/payment for this unit.”

The State's position, rendered by the North Carolina Department of Administration-Division of Purchase and Contract, is that the basic mobile home set-up pricing **did not** include the installation of air conditioner/heat pump units and that the units should be billed as separate items. The State cited the uncertainty of whether the mobile homes would have gas or electric air conditioner/heat pump units when delivered as the reason for allowing the separate billing.

In late 1999, FEMA reviewed the State's contract awards for mobile homes and travel trailers and the payments made under those contracts.⁶ FEMA's position remained consistent that the installation of air conditioner/heat pumps was part of the basic set up. Based on the costs of the units already set-up, FEMA projected that the State incurred an average cost of \$1,581 per unit not allowed by FEMA. Using this information, we estimate that the State could be asked to refund non-allowable charges of \$899,589 for the 569 mobile homes purchased by the State. The allowability of the separate billing for the air conditioner/heat pump units remains an open issue between the State and FEMA and will have to be resolved before the grant can be closed out.

RECOMMENDATION

Department and Division management should work with FEMA to resolve this issue. If it is determined that the air conditioner/heat pump units should not have been billed separately, the Department should initiate actions to recover the amounts deemed overcharges from the six contractors.

THE WEATHER RADIO PROJECT HAS NOT BEEN COMPLETED DUE TO A NUMBER OF FACTORS.

The Division distributed 12,504 weather radios to 98 county emergency management offices between November 2000 and August 2001 as part of the All Hazards Warning

⁶ Report on Procurement Review of State Contracts Awarded for Manufactured Housing Under DR 1292-NC, dated January 18, 2000 and Report on Review of State Payments Made Under Contracts Awarded for Manufactured Housing Under DR 1292-NC, dated February 7, 2000.

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Project. The radios are designed to alert users of severe weather through a signal transmitted from the National Weather Service. The counties were responsible for distributing the radios to facilities such as schools, day care centers, nursing homes, and emergency response agencies and for testing the radios to ensure that they receive a signal from a transmitter tower. Table 3 shows the counties receiving weather radios.

The Division does not maintain data on the number of distributed radios that can receive signal. To obtain this data, we conducted a survey of the 98 county emergency management offices that received radios to determine the number that were not distributed due to lack of transmitter signals. (See Appendix C, page 65) Twenty-five counties (26%) responded. Seven of the 25 counties (28%) stated that they had partial or no signal for the weather radios due to signal deficiency. These radios remained stored at the local emergency management office as a result.

The Division is in the process of evaluating the 19 current transmitters for optimum coverage and determining locations for five new transmitters. Until this part of the project is complete, not all counties have the capability of receiving the signal. The goal of the Division is to increase signal coverage from 80% to 95% of the State's population. The State's varying terrain prohibits 100% coverage. The project has been delayed because of reassignment of personnel due to Hurricane Floyd, staff turnover, and installation of transmitters to federal communication specifications.

TABLE 3 Weather Radio County Distribution As of August 10, 2001					
County	#	County	#	County	#
Alamance	316	Alexander	43	Alleghany	54
Anson	114	Ashe	38	Avery	26
Beaufort	140	Bertie	34	Bladen	85
Brunswick	535	Buncombe	230	Burke	143
Cabarrus	135	Caldwell	126	Camden/ Pasquotank	39
Carteret	55	Caswell	51	Catawba	125
Chatham	57	Chowan	20	Clay	30
Cleveland	177	Columbus	225	Craven	83
Cumberland	400	Currituck	21	Dare	47
Davidson	120	Davie	60	Duplin	73
Durham	500	Edgecombe	165	Forsyth	558
Franklin	46	Gaston	402	Gates	20
Guilford	500	Graham	20	Granville	70
Greene	22	Halifax	100	Harnett	193
Haywood	76	Henderson	119	Hertford	60
Hoke	68	Hyde	25	Iredell	150
Jackson	78	Johnston	131	Jones	18
Lee	107	Lenoir	66	Lincoln	79
Macon	41	Madison	37	Martin	33
McDowell	61	Mecklenburg	820	Mitchell	36
Montgomery	36	Moore	100	Nash	92
New Hanover	187	North Hampton	43	Onslow	197
Orange	425	Pamlico	13	Pender	107
Perquimans	30	Person	108	Pitt	291
Polk	36	Randolph	145	Richmond	66
Robeson	100	Rockingham	109	Rowan	80
Rutherford	129	Sampson	142	Scotland	107
Stanly	89	Stokes	39	Surry	59
Swain	63	Transylvania	64	Union	208
Vance	115	Wake	601	Warren	63
Washington	54	Watauga	47	Wayne	139
Wilkes	49	Wilson	111	Yancey	16
Yadkin	41				
Total Radios Distributed:					12,504
Source: North Carolina Emergency Management					

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RECOMMENDATION

The Division should make the completion of the weather radio project a priority to ensure coverage for as many North Carolina citizens as possible. Division personnel should contact local offices to determine distribution status of the radios. Further, the Division should closely monitor signal coverage as the project continues to assure that the maximum coverage is achieved and maintained.

LOCAL EMERGENCY MANAGEMENT OFFICES IDENTIFIED AREAS OF STRENGTH AT THE DIVISION LEVEL AND AREAS NEEDING IMPROVEMENT.

The State Division of Emergency Management has the responsibility of coordinating statewide all responses to emergency and disaster situations that are beyond the ability of local emergency management offices to handle. This is accomplished through staff at the Raleigh Office, Branch Offices, and Areas who provide needed assistance, training, supplies, and equipment to the local offices. To obtain information on services received and services needed from the State, we conducted a survey of all 101 local offices. We received 70 responses, a response rate of 69%. A number of issues emerged as areas for improvement:

- Too much red tape,
- Turnover and use of temporary staff in key positions,
- Communications among Local, State, and FEMA need improving,
- Locals need more funding, and
- Locals need more education and training from the State.

However, respondents also noted that overall the State Division of Emergency Management has done an excellent job of handling the numerous emergency and disaster situations that the State has been faced with in recent years. Specifically, respondents rated the Division, the Branch Offices, and the Area Coordinators high on accessibility and quality of training. See Appendix B, page 53, for the survey results.

RECOMMENDATION

Division management should continue to emphasize accessibility and quality of training. Additionally, the Division should work to improve communications, reduce "red tape" to the extent possible, reduce use of temporary staff in key positions, and provide more education and training. Improvements in these areas will assure more effective provision of emergency services to citizens.

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Objective 3: To review the Division's operational policies and procedures, internal controls, and fiscal management for compliance to regulations.

To achieve this objective, we first determined the duties and responsibilities assigned to the Division by State and federal statutes. Next, we examined the various administrative codes and policies and procedures for the different sections of the Division. Additionally, we pulled samples of expenditures, examined contract files, and examined cash management policies and procedures for compliance with applicable regulations. We also reviewed fixed assets records and verified a sample of items in those records.

Conclusions: The Division of Emergency Management must comply with specific federal and State statutory requirements and various rules and regulations affecting all State agencies. Examination of records revealed that the Division has not updated its Administrative Code since 1979, that the Operations section lacks specific, written policies and procedures for day to day operations, and that the Temporary Housing unit was not in compliance with its procedure for re-certifying the eligibility of recipients of services. Nor was the Division complying with State telecommunication requirements to procure services through ITS. Additionally, the Temporary Housing unit incurred unnecessary costs of \$214,130 by allowing temporary employees to use State vehicles to commute to duty stations outside the Raleigh area and from travel and subsistence costs for the operation of the Carteret County Repair and Replacement program. Division management and monitoring of cellular and satellite telephone services and use needs to be improved, along with establishment of central files for contract and financial documentation. Lastly, because the Division does not have direct access to the statewide Fixed Asset System, it maintains its own fixed assets system, which duplicates the statewide system and contains inaccurate data.

Overview:

The North Carolina Emergency Management Act of 1977 (GS 166A) is the primary authority under which the Division of Emergency Management operates when handling natural or man-made disasters. Other statutes that affect the Division's authority when dealing with disasters, include GS 131 (waiver of rules for health care facilities and adult care homes), GS 115 (use and operation of school buses), and GS 126 (State personnel system). During the 2001 Session, the General Assembly amended the State's emergency management laws under GS 166A to revise and redefine the authority and responsibility of the Governor, State agencies, and local governments in handling disasters. The revised statute addresses the prevention of, preparation for, response to, and recovery

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from natural or man-made disaster. Additionally, the Division must comply with State regulations regarding use of resources, such as State vehicles, cash management procedures, accounting procedures, etc.

Two federal statutes also affect the Division's handling of disasters—the Stafford Disaster Assistance and Emergency Relief Act (PL 93-288) and the Disaster Mitigation Act of 2000 (PL 106-390). (See Appendix E, page 69 for a summary of legislation affecting the Division.)

□ POLICIES AND PROCEDURES

PROCEDURES FOR ELIGIBILITY RE-CERTIFICATION OF EMERGENCY DISASTER VICTIMS ARE NOT BEING FOLLOWED.

The Temporary Housing Unit has developed a procedure for re-certification of the eligibility of recipients of services based on FEMA requirements.⁷ The Unit's procedure states that residents are to be re-certified every 30 days by the Housing Advisors to document each resident's progress on obtaining permanent housing. Failure to re-certify residents may negatively affect the State's ability to assist them in obtaining permanent housing at the earliest possible time.

The Unit generates a list of re-certifications that have not been accomplished within 60 days of the required date. We obtained a listing as of May 1, 2001 showing 124 residents' files that were over 60 days delinquent. From this listing, we randomly sampled 21 files. Table 4 shows the results of the sample. Of the 21 files tested, 81% (17 files) were delinquent 150 or more total days. In addition, 90% (19 files) showed delinquent status on more than one occasion. Reasons for delinquency, as stated by Temporary Housing management, include: difficulty in locating residents, resident cases referred to the State Attorney General's Office, and redistribution of caseloads due to staff downsizing.

TABLE 4 Results of Re-certification Delinquency Report Sample As of May 1, 2001		
Days Delinquent	# of Applicants	Percentage
60-90 days	2	9.5%
90-150 days	2	9.5%
150+ days	17	81%
Total	21	100%
Source: Temporary Housing Applicant Assistance Program		

⁷ Federal Emergency Management and Assistance regulations; CFR 44, Subpart D, Section 206.101, (k) (2) (3) states in part that "*Occupants of temporary housing shall be certified eligible for continued assistance...permanent housing plan shall be established ...no later than at the time of the first re-certification...shall make every effort to obtain and occupy permanent housing at earliest possible time*".

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RECOMMENDATION

Management should more closely monitor the re-certification process to assure that recipients obtain needed assistance and retain eligibility, and to assure compliance with procedures.

Auditor's Note: Prior to the completion of fieldwork, management had reduced the number of delinquent re-certifications. Only two files were delinquent as of July 20, 2001.

THE OPERATIONS SECTION LACKS WRITTEN POLICIES AND PROCEDURES FOR DAILY OPERATIONS.

The Division's Operations Section has established written policies and procedures for disaster and emergency situations. However, there are no written policies and procedures for this Section's day-to-day operations. The Section is decentralized, featuring three branches further divided into 15 areas as shown in Exhibit 1, page 12. Because of the decentralization, written policies and procedures are needed to help standardize services provided.

We also learned that there are no performance standards to determine the effectiveness of the personnel in the three branches. Branch Area Coordinators provide assistance and services to their assigned counties, working from their homes with little direct oversight from the Branch Office. Services provided to counties include, but are not limited to, training, planning, and coordinating. Until 1997 there were specialists in each of these areas providing services to local emergency management offices. Now the Area Coordinator is expected to provide services in all areas. In some instances, Area Coordinators tend to focus on the service area where they are most comfortable, i.e., their area of expertise, when providing services to a county. Since limited direct supervision is provided from the Branch Offices, it is essential to have formal written policies and procedures and performance standards to ensure consistency and reliability of program assistance and services.

RECOMMENDATION

The Operations Section should develop written policies and procedures for daily operations. Performance standards for the Branch Offices and Area Coordinators should be established and monitored to ensure consistency within a branch and throughout the State.

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EMERGENCY MANAGEMENT'S ADMINISTRATIVE CODE IS NOT CURRENT.

The Administrative Code for the Division of Emergency Management is dated December 1979. At the time of the audit, the manuals required and documents referred to in the Code had not been used by the Division since the early 1990s. Nor has the Division's organizational structure described in the Code been updated to the structure currently in effect.

RECOMMENDATION

The Division of Emergency Management should take immediate steps to revise and update the Administrative Code to ensure consistency with the current General Statutes and the Division's operational and organizational structure.

□ INTERNAL CONTROLS/FISCAL MANAGEMENT
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TEMPORARY HOUSING IS CIRCUMVENTING THE PROPER USE OF STATE VEHICLES.

At the time of the audit, there were 32 state vehicles assigned to the Chief of the Temporary Housing Unit for use by employees such as Housing Advisors and Site Managers. Examination of vehicle records showed that 13 temporary employees in the unit were allowed to routinely use these vehicles to commute at least part of the distance to their duty stations during the period of October 1999 to August 2001. These employees were not paying a commuting fee as required by State policy⁸. We also examined the time worked for these employees. In several cases the drive time was included as part of the regular 8-hour workday; thus the employees were actually working less than 8 hours each day. In other cases, the employees were being paid overtime for commuting time beyond the 8-hour day. (See discussion on page 14.) Table 5, page 33 summarizes the questionable use of State vehicles.

The use of State vehicles by Housing Advisors and Site Managers to visit clients in wide spread remote areas is an appropriate use of state vehicles. However, our examination showed that during this period, nine of these employees picked up State vehicles from a State facility near their homes. Their duty stations were not near the State facilities where the cars were parked. They then routinely drove from the State facility where the vehicle was parked to their duty stations. In effect, these employees were using State vehicles to commute a portion of the distance from their homes to their duty stations.

⁸ State Motor Fleet Management allows the use of State vehicles marked with the Department of Crime Control and Public Safety emblem to be used by certain **permanent employees** on an around the clock basis without having to pay a commuting fee. This is due to the critical nature of their jobs.

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TABLE 5
Temporary Housing Program
Employee Commuting in State Vehicles

Title	Travel Start/End Date	Vehicle	Vehicle Over Night Location	Duty Station	Round Trip miles	Mileage Cost to the Division	Travel Hours for Period ²	Cost of Time	Total Division Cost of Travel	Reimburse-able Commuting Fee at Established Rate
Construction Specialist ¹	1/01 - Present	Ford Ranger	Temp housing Raleigh	Beaufort	298	\$ 2,289	176	\$ 4,017	\$ 6,306	\$ 480
Technical & Environmental Construction Engineer ¹	1/01 - Present	Ford Taurus	Temp housing Raleigh	Beaufort	298	2,289	176	5,409	7,698	480
Housing Advisor	4/00 - 8/01	Ford Taurus	Temp housing Raleigh	Tarboro	150	11,520	873	13,219	24,739	960
Housing Advisor	6/01 - Present	Oldsmobile Cutless	Nat'l Guard Goldsboro	Grifton	78	1,123	85	1,260	2,383	180
Manager Fountain Site	4/01 - Present	Oldsmobile Cutless	Temp housing Raleigh	Rocky Mount	118	2,266	160	2,844	5,110	240
Sr. Home Sales Specialist	10/00 - 3/01	Ford Taurus	Fountain, Rocky Mount	Raleigh	118	3,398	240	4,892	8,290	360
Manager/Sr. Advisor Farm Estates Site	1/00 - Present	Cutless/ Taurus	Temp housing Raleigh	Princeville	148	14,208	800	13,317	27,525	1,200
Manager/Sr. Advisor Lewis Site	6/01 - 8/01	Ford Taurus	Caswell Center Kinston	Grifton	24	504	17	387	891	120
Manager/Sr. Advisor Lewis Site	6/01 - 8/01	Oldsmobile Cutless	Cherry Hospital, Goldsboro	Grifton	78	749	57	1,163	1,912	120
Manger Kenly Staging	10/99 - 4/00	Unknown	Chapanoke Rd. Raleigh	Kenly	84	2,822	214	2,598	5,420	420
Manager Kenly Staging	4/00 - Present	Chevrolet Malibu	Highway Patrol Washington	Kenly	104	8,486	680	16,637	25,123	1,020
Mechanic	12/99 - 6/01	Jeep Cherokee	Chapanoke Rd. Raleigh	Kenly	84	7,258	N/A ³	N/A ³	7,258	1,080
Mechanic	6/00 - 5/01	Nissan SE King Cab	Chapanoke Rd. Raleigh	Kenly	84	3,628	N/A ³	N/A ³	3,628	540
TOTAL						\$60,540		\$65,743	\$126,283	\$ 7,200

¹See finding below for additional details repair and replacement employees in Carteret County

²Employees record travel time as part of their working hours.

³Employees traveled on their own time.

Source: Emergency Management, Temporary Housing

Records also show that four temporary employees at the Kenly Staging Area used State vehicles to travel from their hometowns (Goldsboro, Washington, Raleigh) to Kenly. As with the situation above, these employees parked the State vehicles at a State facility near their homes. These employees were mechanics and site managers whose duties only required them to work at the Kenly staging area. While employees at the staging area need to have a vehicle available to move travel trailers and run work-related errands, a single State vehicle kept at the facility would serve the purpose. In effect, these employees were also using State vehicles to commute a portion of the distance from their homes to their duty station.

The Temporary Housing Chief stated he approved the use of State vehicles for these employees because four of the employees were transferred from their original duty station to a different duty station and difficulty in recruiting locally required hiring nine individuals outside the duty station areas. According to the Chief, the temporary

FINDINGS AND RECOMMENDATIONS

employees were not using State vehicles to commute to their duty stations since the vehicles were not driven to their homes each night, but were parked at State facilities. At the time of the audit, only six employees were still using State vehicles to commute.

RECOMMENDATION

The Division should immediately cease the practice of allowing Temporary Housing employees to use State vehicles as described above. In the future, the Division should exhaust all possibilities for recruiting personnel in the area of need to avoid requiring employees to commute long distances. This would allow the Division to avoid the question of whether to allow State vehicles to be used in the described manner. The Division should consult with legal counsel to determine whether any temporary employees should reimburse the State for commuting fees.

FAILURE TO RECRUIT LOCALLY RESULTED IN UNNECESSARY COST IN THE CARTERET COUNTY REPAIR AND REPLACEMENT PROGRAM.

One of the programs offered by the State to victims of Hurricane Floyd was the Repair and Replacement program to help victims repair or replace their homes damaged by Floyd. This program was designed to be administered by local county officials; however, Carteret County did not have the people to administer the program. Therefore, the Temporary Housing Unit assumed administrative responsibility for the program.

Interviews show that while the Division made attempts to recruit employees⁹ in the Carteret County area to administer the program, these attempts were limited. Division management could not produce any documentation showing recruiting efforts in that area. Division personnel did ask Carteret County personnel and Area Coordinators if they knew of individuals who could run the program. However, Division personnel made no attempts to contact local employment agencies or to advertise in the local media. Instead, the Division contracted with Temporary Solutions, in Raleigh, for two temporary employees who were then assigned to work in Carteret County.

⁹ The Unit produced copies of advertisements that were placed in local papers in the eastern area at different intervals by Temporary Solutions. However, none of these ads were for this program.

FINDINGS AND RECOMMENDATIONS

The program began in January 2001. The two temporary employees traveled from Raleigh to Carteret County each week, staying in a hotel and receiving per diem until April 2001. At that time, one of the temporary employees secured an apartment that is paid for by the Division. The second employee continues to stay in a hotel¹⁰. Between January 2001 and August 2001, the Division has incurred an estimated \$34,266 in travel, lodging, and subsistence costs. If this program continues through June 2002, the projected cost is \$77,177 for these items. Table 6 shows that over the 18-month existence of this program, a potential savings of \$12,915 could be realized if the Division had used local personnel to operate this program.

TABLE 6 Repair and Replacement Program Comparison of Local Recruitment to Commuting January 2001 to June 2002			
Type of Cost	Technical & Environ. Construction Engineer	Construction Specialist	Total Cost
Hotel Cost ¹	\$2,773	\$17,162	\$19,935
Meals Cost ²	1,680	10,440	12,120
Apartment Cost ³	12,000	-	12,000
Vehicle Cost ⁴	5,149	5,149	10,298
Travel hours Cost ⁵	13,237	9,587	22,824
Total Avoidable Costs	34,839	42,338	77,177
Wage Cost ⁶	66,086	47,434	113,520
Total Program Cost	100,925	89,772	190,697
Local Recruitment Cost ⁷	104,400	73,382	177,782
Potential Savings/(Cost)	\$(3,475)	\$16,390	\$12,915
¹ State rate plus tax			
² \$800 per month			
³ State rate			
⁴ \$.24 per mile			
⁵ Hourly cost paid to Temporary Solution times 5.5 hours/round trip.			
⁶ Billable rate paid to Temporary Solution			
⁷ Estimated cost provided by a temporary employment agency serving the area			
Source: Temporary Housing, Emergency Management, and Temporary Agency			

RECOMMENDATION

The Division should improve efforts to recruit employees locally to avoid paying for unnecessary travel, lodging, and meals.

CHECKS RELATED TO THE SALE OF TEMPORARY HOUSING UNITS WERE NOT HANDLED PROPERLY.

In accordance with GS 147-86.11, the State's Cash Management Plan requires State agencies to make daily deposits of receipts. Review of records in the Temporary Housing Unit revealed improper handling of at least one payment received for the sale of seven mobile homes. Specifically, a non-profit organization agreed to purchase these homes for \$54,500. Temporary Housing received payment June 29, 2001 in the amount of \$45,000. Instead of depositing this check and notifying the organization of the balance due, Temporary Housing returned the check to the organization with a request that the correct amount be submitted. A second check was received from the organization for \$9,500, but the original \$45,000 check was not returned. Temporary Housing did not receive for deposit the original check the second time until August 10, 2001.

¹⁰ Approval for a second apartment was obtained in September 2001; however, at the conclusion of the fieldwork no rental agreement had been negotiated.

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Proper cash management procedures also require that State checks payable to other organizations, such as the US Treasury, should be safeguarded and mailed promptly. Currently, the Department Controller's Office writes checks to FEMA and routes them back to Temporary Housing for review before being mailed. Temporary Housing's informal policy is to mail all outgoing checks to FEMA within 72 hours after receiving them from the Controller's Office. In reviewing mobile home sales, we noted nine checks payable to the US Treasury-FEMA valued at over \$1.5 million that were not secured or handled properly. Specifically, a number of checks were left in the applicants' files from 18 to 94 days after mobile home sales were finalized, and others were left unsecured on top of a file cabinet and in a desk. According to Temporary Housing personnel, the checks were misfiled in the applicants' files or the State Surplus sales file by the Mobile Home Sales staff.

Because the Temporary Housing Program does not have formal procedures for handling incoming and outgoing checks or always make daily deposits, it is not ensuring that checks are processed promptly or properly secured.

RECOMMENDATION

The Temporary Housing Unit should comply with the requirements of the State's Cash Management Plan. Further, the Unit should implement procedures to ensure that all checks are properly handled and secured.

Auditor's Note: This issue had been identified by Temporary Housing staff and Unit management had begun steps to resolve it when our review was conducted.

EMERGENCY MANAGEMENT IS NOT IN COMPLIANCE WITH NORTH CAROLINA INFORMATION TECHNOLOGY SERVICES TELECOMMUNICATION REQUIREMENTS.

Information Technology Service (ITS) is responsible for all telecommunication equipment and service purchases for executive State agencies. These agencies are required to utilize ITS when purchasing equipment and/or services. A review of telecommunication records showed that 17 of 79 cellular telephones (22%) in the Division are being billed directly to the Division by the vendor, not through ITS as required. Nextel had not yet finalized its billing through ITS. (However, all three vendors providing these phones were on the ITS-approved vendor list.) Thirteen of the 17 telephones are receiving statewide term contract rates as negotiated and approved by ITS. The remaining four service plans are not receiving the State term contract rate. A potential annual saving of \$780 could be realized if the Division transfers these services

FINDINGS AND RECOMMENDATIONS

to ITS and receives the State term contract rate, as shown in Table 7. Although Division management was aware of the ITS services, they reported being unaware that executive agencies were required to use ITS.

Further, most of the cellular telephone plans used by the Division are either for 60 minutes or 400 minutes, with additional per minute charges when plan minutes are exceeded for the month. We noted that savings could be recognized if some plans were increased and others decreased. (See finding on page 38.)

TABLE 7 Cellular Phone Savings From Using Statewide Term Contract Rates				
Phone Number	Average Monthly Cost	Estimated Cost --State Term Contract	Estimated Monthly Savings	Estimated Annual Savings
828-779-4911	\$51	\$16	\$35	\$420
828-779-7943	\$39	\$23	\$16	\$192
828-691-7475	\$22	\$15	\$ 7	\$ 84
828-691-1074	\$22	\$15	\$ 7	\$ 84
Total			\$65	\$780
Source: Crime Control and Public Safety				

RECOMMENDATION

The Division should immediately notify the Information Technology Services of all cellular telephone services received directly from the vendor. ITS and the Division should request term contract rates for phones not receiving such rates, and the plans should be transferred to ITS for administration. The Division should utilize ITS for all future purchases of telecommunication equipment or services. Lastly, all plans should be reviewed to determine the most efficient plan for each phone.

THE DIVISION IS NOT ACTIVELY MANAGING CELLULAR PHONE USE.

A review of Division expenditures showed that over the past five years cellular telephone expenditures have increased significantly, as shown in Table 8. Documentation shows that much of the increase in the number of, and resulting cost of, cellular telephones can be directly related to the increased number of disasters that North Carolina has suffered. Fiscal year 2000 alone shows a 199% increase due to the Hurricane Floyd disaster, with the number of cellular phones going from 92 in August 1999 to a high of 366 in January 2000¹¹. However, this does not fully explain why the Division was using so many cellular phones, or the increased use of these phones. To examine these issues, we

TABLE 8 Cellular Phone Expenditures July 1, 1996 through May 31, 2001					
Type	FY 2001	FY 2000	FY 1999	FY 1998	FY 1997
Cellular Phone	\$291,812	\$292,852	\$97,825	\$42,277	\$24,726
Change from prior year	0%	199%	131%	71%	
Source: Crime Control and Public Safety					

¹¹ The Division has since reduced the number of cellular telephones to 79 at the end of June 2001.

FINDINGS AND RECOMMENDATIONS

reviewed all available¹² Division cellular telephone invoices for the period March through June 2001.

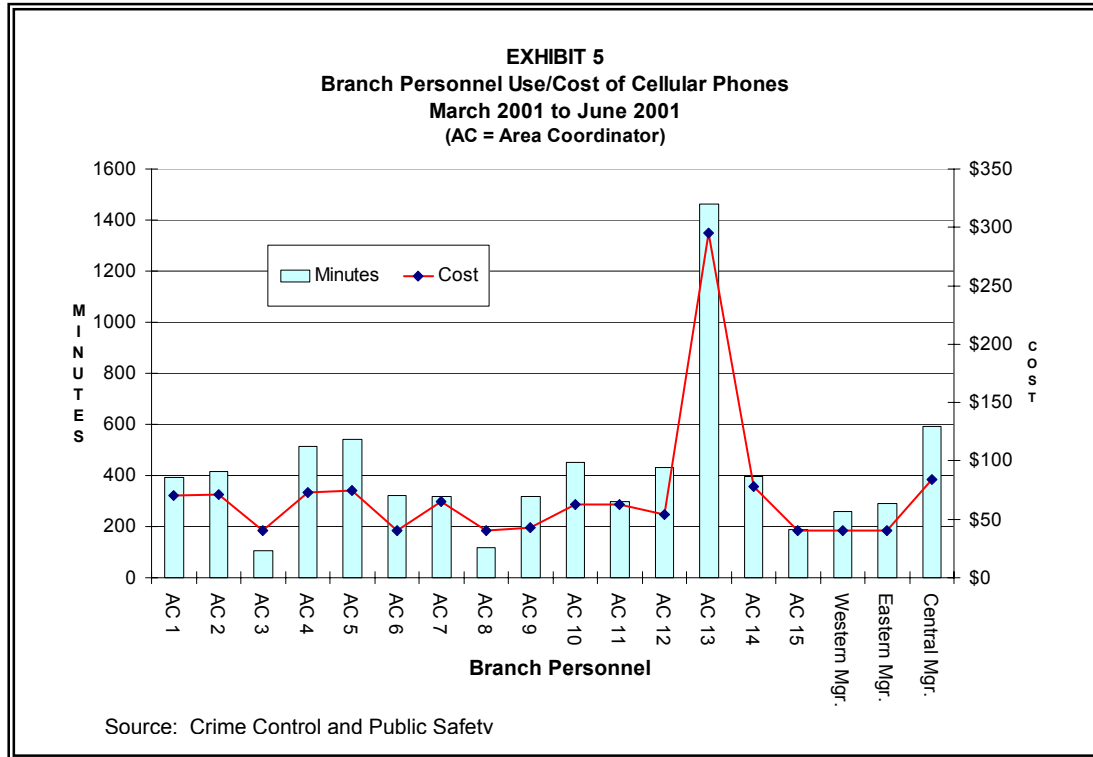
Cellular telephone invoices for the Division are prepared for payment and approved by the Finance Director. However, there was no evidence of a review of the invoices by management or direct supervisors prior to that. Crime Control and Public Safety policies state cellular telephones are not to be used for personal use except in case of an emergency. A detailed review of a judgemental sample of invoices showed excessive use, possible misuse, and raised questions about the need for some cellular telephones. Table 9 notes questionable and high usage issues identified in the sample.

TABLE 9 Results of Use of Cellular Phones Sample March through June 2001									
	Time Period	Total		Questionable					Explanation
		calls	minutes	calls	%	minutes	%	Cost*	
Questionable Use:									
Information and Planning	Mar-June	214	394	127	59%	197	50%	\$ 43	Calls home
Area Coordinator	Mar-June	535	2,172	75	14%	268	12%	59	Calls home
Temporary Housing	Mar-June	1,614	4,178	380	24%	625	15%	138	Calls home & spouse's work
Temporary Housing	March	514	1,254	139	27%	325	26%	72	Calls to hair salons, department stores, six individuals with the same last name, newspaper.
Temporary Housing	March	875	2,535	349	40%	981	39%	216	Calls to other Emergency Mgmt. cellular telephones
Questionable Use:									
Information Services***	March	293	870	56	19%	171	20%	38	Calls on the weekend
Area Coordinator	May	293	1,400	15	5%	75	5%	17	Used State calling card to make long distance calls**.
High Usage:									
Temporary Housing	March	590	2,586						
Temporary Housing	March	380	2,229						
Temporary Housing	March	312	2,126						
Temporary Housing	March	480	2,126						
Temporary Housing	March	644	2,271						
Temporary Housing	March	875	2,535						
Area Coordinator	Mar-June	1,358	5,850						(See Exhibit 5 below)
Questionable Need:									
Hazard Mitigation	Mar-June	2	12						Average use - \$14.95 plan cost per month
Planning Support	Mar-June	6	28						Average use - \$14.95 plan cost per month
Finance	Mar-June	10	16						Average use - \$39.95 plan cost per month
*Estimated cost of .22 per minute based on variable plan rates. **There are no long distance charges on the cellular telephone plans. ***Employee no longer has a cellular telephone.									
Source: Crime Control & Public Safety									

¹² The Division was not able to locate all cellular telephone invoices for this period. See finding on page 40.

FINDINGS AND RECOMMENDATIONS

Further, we identified one Area Coordinator who averaged 1,463 minutes per month of cellular telephone use. This seems excessive when compared to other Area Coordinators as shown in Exhibit 5.



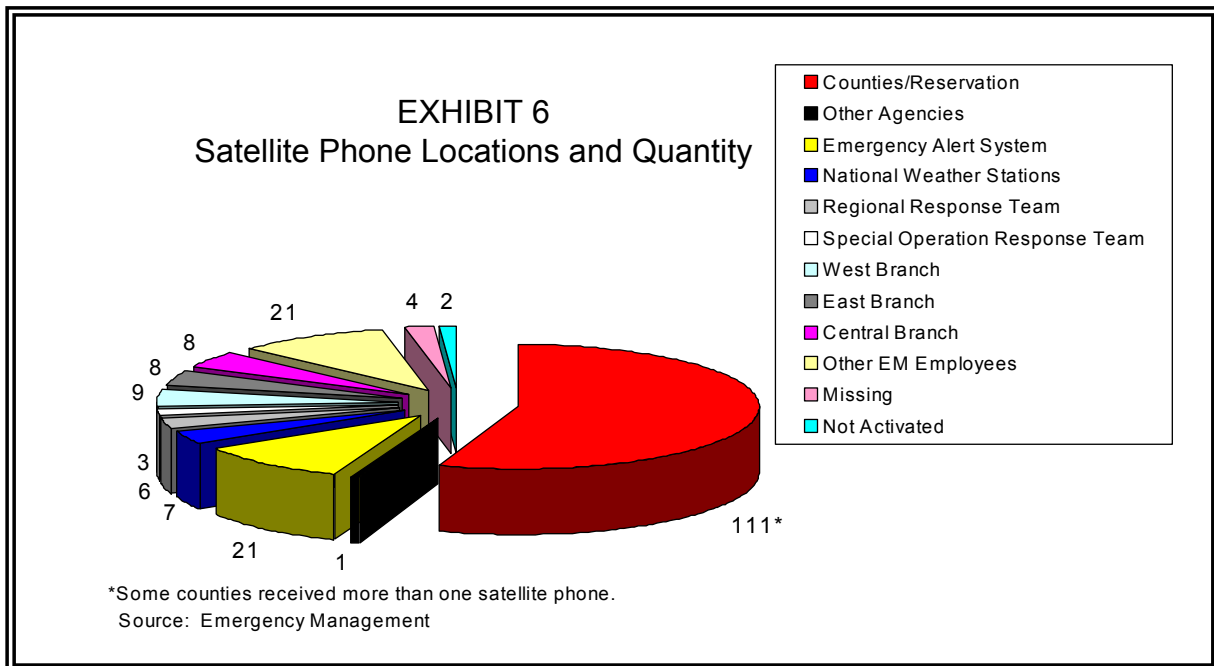
RECOMMENDATION

The Division should immediately review the use and assignment of all cellular telephones, phone by phone, to determine if the employee needs the phone to effectively perform his/her job. The Division should implement procedures that require employees' immediate supervisors to review cellular telephone bills for use prior to payment. Further, management should immediately review all cellular telephone bills and request reimbursement from any employees who made unauthorized personal calls. Lastly, the Division should develop a policy on cellular phone use that conforms to the Department and statewide policies, specifically addressing when personal calls are allowed, and provide this to each employee.

FINDINGS AND RECOMMENDATIONS

THE DIVISION IS BEING OVER-CHARGED FOR SATELLITE TELEPHONES SERVICE.

As part of the All Hazards Warning project, the Division has purchased and provides service to 195 satellite telephones. These phones are used across the State by county emergency management personnel, county employees, national weather stations, regional response teams, and emergency alert systems. See Exhibit 6. At the end of 1999, the Division expanded its satellite telecommunication system to include 101 counties/reservation, 20 emergency alert systems, and seven national weather stations. Plans are to use this system only during an emergency or disaster, along with identified ham radio operators, should regular communication systems be inoperable.



Prior to expansion of the satellite system, the Division had 45 satellite phones. In March 2000, the system was expanded to the current 195 satellite phones. In May 2000 the Division awarded the satellite service contract to a vendor charging a \$35 monthly service fee per phone and a \$2.49 per minute charge. At that time, the Division requested that the original 45 telephones be converted to the new plan. The previous cost for those phones was \$69 per month. As of May 2001, 28 telephones have not converted to the new plan; the Division is working with the vendor to correct this situation. Thus, the Division has been over-charged \$11,307 from May 2000 through May 2001. Finally, we noted that four satellite phones could not be accounted for. The cost to the Division for the equipment is \$5,536.

FINDINGS AND RECOMMENDATIONS

RECOMMENDATION

The Division should continue its efforts to convert all satellite phone service to the new plan. The Division should request a credit from the vendor for the \$11,307 overcharge through May 2001 and any subsequent overcharge since the audit fieldwork was completed. Additionally, the Division should implement procedures to adequately monitor physical location of all satellite phones.

CASH DISBURSEMENT POLICES AND PROCEDURES FOR THE DEPARTMENT AND THE DIVISION WERE INCONSISTENT.

Both the Department and the Division should be adhering to the State cash disbursement procedures. However, an examination of procedures and documentation showed that those procedures were not always followed. We selected a judgmental sample of 149 disbursement transactions from the of 1,725 transactions for fiscal years 1999-00 and 2000-01. The transactions and corresponding documentation were reviewed for payment approval, correct account classification, timely payment, receipt of goods/services, and proper documentation.

The major concern identified through sampling was that 75 items (50%) of the items tested were over 30 days past due. We noted a lack of coordination between the Division and Department for cash disbursement. A major factor in delay of invoice payments was more restrictive procedures implemented by the Division in addition to Department and State cash disbursement procedures. The Department was not aware of these added procedures.

RECOMMENDATION

The Division should make sure its internal procedures conform to Department procedures. Both Department and Division procedures should be consistent with State procedures. To expedite processing, the Division should train all personnel assigned to process invoices on the exact procedures to be used.

NEITHER THE DIVISION NOR THE DEPARTMENT HAS COMPLETE FINANCIAL DOCUMENTATION FOR EXPENDITURES.

The Controller's Office in the Department of Crime Control and Public Safety is responsible for preparing all payments for the various divisions within the Department. As such, the Department is responsible for keeping the required documentation to backup payments. However, the Department was unable to provide all the invoices in the various samples we examined for the period July 1, 1999 to June 30, 2001. We also checked Division records for the missing documentation for these same samples. While we were

FINDINGS AND RECOMMENDATIONS

able to find some of the missing backup documents at the Division, the Division also did not consistently maintain documentation as required. Federal records retention regulations require maintaining documents for three years from the close of the project.

RECOMMENDATION

The Department should establish controls to ensure adequate documentation for all expenditures is maintained for three years plus the current year for all expenditures.

EMERGENCY MANAGEMENT CONTRACTS ARE NOT CENTRALLY MANAGED AND DO NOT CONTAIN ADEQUATE SUPPORTING DOCUMENTATION.

During the audit, we learned that the Department and the Division do not maintain complete, centralized files for all contracts. The only information the Division and Department could provide was a manual listing of contracts obtained by reviewing contract files that they were maintaining. However, we determined this list did not include all Emergency Management contracts during the audit period July 1, 1996 through June 30, 2001.

To assess compliance with State and Department policies, we selected a sample of 104 contracts (75%) from the listing of 139 identified contracts. During our review of the contract files, we noted the following concerns:

- 46 contract (44%) files did not contain the required telephone quotes or competitive bids. In the case of sole source contracts, justification for the contract was not always documented.
- 39 contract (38%) files did not include properly approved contracts.
- 2 contract (2%) files did not include financial information required to make sure payment amounts did not exceed contract amounts.
- 24 contract (23%) files did not contain the original contract in the files.

The failure to centralize contract data is the key reason for the lack of supporting documentation in the contract files. Without centralized control of contracts and proper supporting documentation, management cannot effectively monitor post-award activities, track contractor performance, or be informed of contract expirations. Also, the lack of documentation for sole source contracts may create the appearance of bias in the contracting process.

RECOMMENDATION

The Department should establish controls over contract management to include maintaining a complete, up-to-date listing of all Emergency Management contracts with outside consultants/contractors and central monitoring of contract files. The Division should adhere to the policies and procedures as outlined in the State Purchasing Manual

FINDINGS AND RECOMMENDATIONS

and Department Directives regarding the supporting documentation requirements for contracts.

THE DIVISION'S FIXED ASSET SYSTEM IS NOT ACCURATE AND DUPLICATES THE STATEWIDE FIXED ASSET SYSTEM.

All agencies are required to comply with the State policies and procedures related to fixed assets. These policies and procedures provide guidance on maintaining an accurate method of identifying individual assets, controlling their locations, and in taking physical inventory. The Department Controller's Office is responsible for maintaining the fixed asset system for all divisions. The Controller's Office has not granted any of its divisions access to the fixed asset system.

Because the Division of Emergency Management cannot access the State fixed asset system, it recently established a separate fixed asset database to monitor the movement of assets within the Division. All fixed assets within the Division are tracked through this system, including location changes. These location changes are then reflected on the statewide system after the annual inventory is conducted. However, the Division has not conducted a complete physical inventory of all assets for the past three years. Also, there was no written plan for the June 30, 2001 inventory. Although the Department has established policies and procedures that mirror the State requirements for fixed assets, the Division did not properly comply with these requirements.

We examined data in both the State fixed asset system and the Division's fixed asset system. We then selected a judgmental sample of 217 fixed assets from the State's fixed asset system for verification. We chose assets that were centrally located, had a high dollar value, and items considered transportable, i.e. generators, chain saws, digital cameras, etc. Using a partial inventory performed by the Division in developing and updating its database, coupled with the results of our review and sample, we noted significant problems as illustrated below:

- 148 items or 68% were not in the location as noted in the statewide system.
- 605 fixed assets totaling \$1,506,372 were classified as missing, lost, stolen, etc. on the Division's fixed asset database. Included in these were 24 digital cameras valued at \$16,209. (Note: There are indications that many of these items may have been surplus over the years; however, surplus records prior to January 1998 are not available to confirm this.)
- 236 chainsaws and 15 other assets listed on the statewide system as being assigned to Emergency Management have previously been transferred to other departments or divisions¹³.
- 411 fixed assets valued at \$763,262 are inadequately described on the statewide system, showing only "Federal Share" in the description field rather than the actual description of the asset; many had serial numbers omitted.

¹³ 236 chain saws --2 at the Department of Correction, 36 at the Department of Transportation, and 198 at DENR Forestry Division.

FINDINGS AND RECOMMENDATIONS

Further review of program records also revealed the following problems:

- A cargo trailer valued at \$8,350 was lost or stolen sometime during the response and recovery to Hurricane Floyd. The Division incurred rental fees totaling \$57,280 for the trailer from September 15, 1999 through September 13, 2001, at which time the trailer rental company notified its insurance agent that the trailer was stolen.
- A borrowed tent was lost during Floyd. The Division purchased a replacement tent and entered it on its fixed asset list although the tent was actually given to the lending agency.
- 2 travel trailers were listed as stolen.
- 23 cellular telephones were identified as either missing or lost.
- 14 employees had more than one cellular telephone prior to June 2001.

RECOMMENDATION

The Department should give the Division read-only access to the statewide fixed asset system data for the Division and provide training on data extraction. A complete inventory of all fixed assets should be conducted annually and submitted on a timely basis by the Division. Finally, a written plan for conducting the annual fixed asset inventory should be developed and approved by the Division.

APPENDICES

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SUMMARY OF LOCAL COUNTY MANAGER'S SURVEY RESULTS

RESPONSES SHOWN IN BLUE (some questions could have more than one response)

TOTAL NUMBER
TELEPHONED: 20
RESPONSE RATE: 100%

TOTAL NUMBER
RESPONSES: 20

1) What types of disasters and/or emergencies have occurred causing damage in your county in the last three years? 20 responses

- | | |
|--|---|
| <input type="checkbox"/> a) Flooding (15) 75% | <input type="checkbox"/> b) Tornado (7) 35% |
| <input type="checkbox"/> c) Hurricane (12) 60% | <input type="checkbox"/> d) Earthquake (0) 0% |
| <input type="checkbox"/> e) Drought (4) 20% | <input type="checkbox"/> f) Fire (9) 45% |
| <input type="checkbox"/> g) Strong Winds (16) 80% | <input type="checkbox"/> h) Radiation Leaks (2) 10% |
| <input type="checkbox"/> i) Chemical Spills (15) 75% | <input type="checkbox"/> j) Dam Failure (3) 15% |
| <input type="checkbox"/> k) Landslides (1) 5% | <input type="checkbox"/> l) Winter Storms (11) 55% |
| <input type="checkbox"/> m) Lost Person (search and rescue) (14) 70% | <input type="checkbox"/> n) Mass Casualty Transportation Incident (4) 20% |
| <input type="checkbox"/> o) Other (specify) (1) 5% | |

- Large radiation theft.

2) What type of assistance did your county receive from FEMA and the State as a result of the emergency and/or disaster? 18 responses

- | | FEMA | State |
|------------------------------------|-----------------------------------|-----------------------------------|
| a) Public Assistance | <input type="checkbox"/> (13) 72% | <input type="checkbox"/> (14) 78% |
| b) Hazard Mitigation Grant | <input type="checkbox"/> (10) 56% | <input type="checkbox"/> (9) 50% |
| c) Individual Family Grant | <input type="checkbox"/> (14) 78% | <input type="checkbox"/> (0) 0% |
| d) Repair & Relocation Funds | <input type="checkbox"/> (2) 11% | <input type="checkbox"/> (8) 44% |
| e) Temporary Housing | <input type="checkbox"/> (12) 67% | <input type="checkbox"/> (8) 44% |
| f) Housing buyouts | <input type="checkbox"/> (10) 56% | <input type="checkbox"/> (1) 6% |
| g) Relocation Assistance | <input type="checkbox"/> (2) 11% | <input type="checkbox"/> (7) 39% |
| h) Property Tax Loss Reimbursement | <input type="checkbox"/> (0) 0% | <input type="checkbox"/> (6) 33% |
| i) Interest Rebates for Businesses | <input type="checkbox"/> (0) 0% | <input type="checkbox"/> (1) 6% |
| j) Other (specify) | <input type="checkbox"/> (3) 17% | <input type="checkbox"/> (1) 6% |

- Debris removal
- Assistance for flooding damage
- Expecting assistance for the Winter Storm of 2000

3) Were assistance funds (federal and state) distributed timely? 18 responses

- | | Yes | No | (Please explain) |
|----------|-----------------------------------|-----------------------------------|------------------|
| a) FEMA | <input type="checkbox"/> (13) 72% | <input type="checkbox"/> (4) 22 % | |
| b) State | <input type="checkbox"/> (12) 67% | <input type="checkbox"/> (3) 17% | |

- Reimbursement of costs associated with debris removal
- Just closed out Hurricane Fran in July, 2001
- 8 to 10 months for snow removal reimbursement
- Reimbursement information files lost by State staff

4) Were there any duplicated programs identified following the emergency and/or disaster? 20 responses

- | | |
|---|---|
| <input type="checkbox"/> a) Yes (please identify & explain) (2) 10% | <input type="checkbox"/> b) No (18) 90% |
| <ul style="list-style-type: none"> • Confusion on appropriate programs to submit an application • Relief groups duplicated programs | |

SUMMARY OF LOCAL COUNTY MANAGER'S SURVEY RESULTS

5) What types of assistance do you feel your office needs from the State EM Office that you have not received? **13 responses**

- | | |
|---|--|
| <input type="checkbox"/> a) Resource requests (2) 15% | <input type="checkbox"/> b) Educational materials (1) 8% |
| <input type="checkbox"/> c) Training (1) 8% | <input type="checkbox"/> d) Planning (1) 8% |
| <input type="checkbox"/> e) Other (specify) (8) 62% | <input type="checkbox"/> f) None (1) 8% |
- More state assistance from EM personnel during the disaster.
 - Quick turnaround on funding requests
 - Consistent and stable policy direction
 - Confusion on the types of resources available
 - Help with communication and transportation when the lines are down
 - Assistance in completing cost reports for reimbursement
 - Better staff expertise-too much turnover
 - Grant opportunities should be posted on the web page

6) What type of needs does your county have that have not been addressed? **5 responses**

- | | |
|--|--|
| <input type="checkbox"/> a) Temporary Housing (0) 0% | <input type="checkbox"/> b) Public Assistance (2) 40% |
| <input type="checkbox"/> c) Hazard Mitigation (2) 40% | <input type="checkbox"/> d) Permanent Housing (1) 20% |
| <input type="checkbox"/> e) Reimbursement for Property Tax Loss (0) 0% | <input type="checkbox"/> f) Repair & Replacement Funds (1) 20% |
| <input type="checkbox"/> g) Small Business Loans (0) 0% | <input type="checkbox"/> h) Relocation Assistance (1) 20% |
| <input type="checkbox"/> i) Individuals Assistance Grant (1) 20% | <input type="checkbox"/> j) Riverine Debris Removal (1) 20% |
| <input type="checkbox"/> k) Floodplain Mapping (1) 20% | <input type="checkbox"/> l) Other (specify) (1) 20% |
- Reimbursement for Hurricane Floyd mutual aid expenses

7) Are you currently working with emergency and/or disaster victims? **20 responses**

- | | |
|--|---|
| <input type="checkbox"/> a) Yes (please explain) (9) 45% | <input type="checkbox"/> b) No (11) 55% |
|--|---|

8) What complaints or questions have you received regarding the FEMA's or the State's response to residents after an emergency and/or disaster? **13 responses**

- | | FEMA | State |
|---|----------------------------------|----------------------------------|
| a) Agency took too long to respond | <input type="checkbox"/> (4) 31% | <input type="checkbox"/> (4) 31% |
| b) Too much paperwork involved | <input type="checkbox"/> (2) 15% | <input type="checkbox"/> (1) 8% |
| c) Citizens didn't understand the process | <input type="checkbox"/> (4) 31% | <input type="checkbox"/> (3) 23% |
| d) Designated telephone numbers always busy | <input type="checkbox"/> (3) 23% | <input type="checkbox"/> (0) 0% |
| e) Assistance received was not enough to meet needs | <input type="checkbox"/> (2) 15% | <input type="checkbox"/> (2) 15% |
| f) Other (specify) | <input type="checkbox"/> (1) 8% | <input type="checkbox"/> (3) 23% |
- Inconsistent information from both agencies
 - Grants managers are not knowledgeable
 - Funding requests took too long to be approved

SUMMARY OF LOCAL COUNTY MANAGER'S SURVEY RESULTS

9) Please rate the NC Division of Emergency Management (Raleigh Office) in the following areas: 20 responses

a) Planning	<input type="checkbox"/> Excellent (4) 20%	<input type="checkbox"/> Good (13) 65%	<input type="checkbox"/> Average (2) 10%	<input type="checkbox"/> Fair (1) 5%	<input type="checkbox"/> Poor (0) 0%
b) Preparedness	<input type="checkbox"/> Excellent (4) 20%	<input type="checkbox"/> Good (15) 75%	<input type="checkbox"/> Average (0) 0%	<input type="checkbox"/> Fair (1) 5%	<input type="checkbox"/> Poor (0) 0%
c) Coordinating	<input type="checkbox"/> Excellent (1) 5%	<input type="checkbox"/> Good (9) 45%	<input type="checkbox"/> Average (6) 30%	<input type="checkbox"/> Fair (4) 20%	<input type="checkbox"/> Poor (0) 0%
d) Response	<input type="checkbox"/> Excellent (4) 20%	<input type="checkbox"/> Good (12) 60%	<input type="checkbox"/> Average (4) 20%	<input type="checkbox"/> Fair (0) 0%	<input type="checkbox"/> Poor (0) 0%
e) Recovery	<input type="checkbox"/> Excellent (0) 0%	<input type="checkbox"/> Good (14) 70%	<input type="checkbox"/> Average (5) 25%	<input type="checkbox"/> Fair (1) 5%	<input type="checkbox"/> Poor (0) 0%
f) Mitigation	<input type="checkbox"/> Excellent (3) 15%	<input type="checkbox"/> Good (11) 55%	<input type="checkbox"/> Average (3) 15%	<input type="checkbox"/> Fair (3) 15%	<input type="checkbox"/> Poor (0) 0%
g) Accessibility (daily basis)	<input type="checkbox"/> Excellent (7) 35%	<input type="checkbox"/> Good (8) 40%	<input type="checkbox"/> Average (3) 15%	<input type="checkbox"/> Fair (2) 10%	<input type="checkbox"/> Poor (0) 0%
h) Accessibility (emergency basis)	<input type="checkbox"/> Excellent (8) 40%	<input type="checkbox"/> Good (10) 50%	<input type="checkbox"/> Average (1) 5%	<input type="checkbox"/> Fair (1) 5%	<input type="checkbox"/> Poor (0) 0%
i) Communication	<input type="checkbox"/> Excellent (3) 15%	<input type="checkbox"/> Good (12) 60%	<input type="checkbox"/> Average (2) 10%	<input type="checkbox"/> Fair (3) 15%	<input type="checkbox"/> Poor (0) 0%
j) Timeliness of information	<input type="checkbox"/> Excellent (1) 5%	<input type="checkbox"/> Good (12) 60%	<input type="checkbox"/> Average (3) 15%	<input type="checkbox"/> Fair (3) 15%	<input type="checkbox"/> Poor (1) 5%
k) Accuracy of information	<input type="checkbox"/> Excellent (1) 5%	<input type="checkbox"/> Good (13) 65%	<input type="checkbox"/> Average (5) 25%	<input type="checkbox"/> Fair (1) 5%	<input type="checkbox"/> Poor (0) 0%
l) Availability of training	<input type="checkbox"/> Excellent (3) 15%	<input type="checkbox"/> Good (16) 80%	<input type="checkbox"/> Average (1) 5%	<input type="checkbox"/> Fair (0) 0%	<input type="checkbox"/> Poor (0) 0%
m) Quality (including instructors) of training	<input type="checkbox"/> Excellent (2) 10%	<input type="checkbox"/> Good (18) 90%	<input type="checkbox"/> Average (0) 0%	<input type="checkbox"/> Fair (0) 0%	<input type="checkbox"/> Poor (0) 0%
n) Quantity of training	<input type="checkbox"/> Excellent (3) 15%	<input type="checkbox"/> Good (16) 80%	<input type="checkbox"/> Average (1) 5%	<input type="checkbox"/> Fair (0) 0%	<input type="checkbox"/> Poor (0) 0%

10) Are there recovery lessons your county can share? 20 responses

- ☐ a) Yes (please identify & explain) (19) 95%
- ☐ b) No (1) 5%
- Continue to review and update emergency plans
 - Information packages needed for: Demolition, asbestos, and contracting
 - Separate personnel to administer the entire recovery effort and the volunteer effort
 - Need shelters equip for individuals that are disable and require assisted living conditions
 - Document expenditures
 - Do a better job of communicating the danger of driving through water
 - Pre-disaster contracting should be addressed
 - Develop a recovery plan as part of Emergency plan
 - Make emergency management a higher priority
 - Have mutual aid plan with other municipalities
 - Have training on mutual aid
 - Mistake to perform disaster functions with the same number of pre-disaster personnel

SUMMARY OF LOCAL COUNTY MANAGER'S SURVEY RESULTS

11) Has your county approached planning for emergencies and/or disasters differently since you experienced an emergency and/or disasters? **20 responses**

☐ a) Yes (please identify & explain)

☐ b) No

(20) 100%

(0) 0%

- Better emergency planning
- Updated plans for emergency situations
- Disaster mitigation awareness, approved land use plan
- Review emergency plans more frequently
- Special training for rescue squads on assisting individuals in swift water
- Better financial procedures are in place
- Addressed overtime policy
- Mutual aid groups have been formed and operational agreements worked out
- Wired shelters to accommodate disaster equipment

12) What issues, if any, have resulted in the delay of funds being distributed to local governments or victims?

- Approval process too long
- Funds should have been provided to the local government units upfront to manage
- Turnover of project managers
- Unaware of the documentation required for reimbursement
- Volume of invoices required for reimbursement
- Closing out projects once they have been completed
- New grants managers or a new FEMA representative's lack of knowledge about the project
- Unaware of changes to state and federal regulations

13) What problems, if any, have you had with the close out of projects (federal and state)?

- Required documentation changed from Hurricane Fran to Hurricane Floyd
- Inexperienced grant managers
- Counties do not have a checklist on the requirements for reimbursement
- Entire files repeatedly lost by the State staff.

14) What suggestions do you have for expediting the funding process from FEMA and the State to the local governments or victims?

- Counties administer grants with the understanding of that they are subject to continuous audits
- A second project manager that is familiar with the project if turnover occurs
- More procedures should be in place for disaster activities
- Too much paperwork required for reimbursement
- If documentation in place, expenditures should be reimbursed even if they are above the 75% cap
- Maintain files properly to prevent duplication by local government
- Granting more autonomy to State officials would expedite the process

15) How can the relationship between FEMA, NCEM and your county be improved?

- Better coordination of agencies and their resources within the county i.e. National Guard and State Highway Patrol in disaster situations
- Local level needs to have more knowledge of FEMA's personnel
- Standard set of guidelines for disasters
- Consistent interpretations of guidelines
- A good project manager on a continuous basis
- FEMA did not share Hurricane Floyd victims list which delayed county assistance
- Communication on the responsibilities of each agency
- Define in precise form what can local governments get reimbursed for during disaster operations.
- Pay staff at the State level better to stop turnover
- Have pre and post disaster meetings with all entities together

SUMMARY OF LOCAL COUNTY MANAGER'S SURVEY RESULTS

16) Please discuss any other concerns you have regarding the Division of Emergency Management's operations.

- Need a clearer definition on reimbursable expenditures during a disaster
- More assistance from State personnel during not after a disaster
- Have someone knowledgeable as a project manager
- Branch office in eastern North Carolina does not have enough resources i.e. equipment
- In the planning stage, communicate to local governments the proper documentation required by FEMA.
- Communication to the local governments the role and focus of the Division.
- Turnover of project managers slows down the process significantly.
- State needs to make Emergency Management a higher priority
- When assistance programs are advertised, it would be helpful to offer income guidelines.
- Need the ability to obtain assistance from U.S. Military bases during disasters i.e. equipment that the National Guard does not have
- Helpful to have training directly from mitigation recipients rather than part-time state employees.

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APPENDIX B

SUMMARY OF LOCAL EMERGENCY MANAGEMENT SURVEY RESULTS

RESPONSES SHOWN IN BLUE (some questions could have more than one response)

TOTAL # MAILED: 101

TOTAL # RESPONSES: 70

RESPONSE RATE: 69%

Identification of Needs

- 1) What types of assistance has your office received from the State EM Office (Raleigh) and Branch Office in the last three (3) years?

RESPONSES 70

		Raleigh Office			Branch Office	
a)	Planning and Preparedness	32	46%		56	80%
b)	Emergency Response	30	43%		61	87%
c)	Recovery	35	50%		36	51%
d)	Mitigation	33	47%		27	39%
e)	Educational materials	48	69%		53	76%
f)	Resource Requests (water, equipment, etc)	52	74%		47	67%
g)	Regional hazardous materials team response	27	39%		20	29%
h)	Terrorism awareness and assessment	44	63%		41	59%
i)	Radiological Monitoring	9	13%		10	14%
j)	Hazard Mitigation Planning Initiative	27	39%		16	23%
k)	Fixed Nuclear Facilities Planning	10	14%		15	21%
l)	Lost person search/rescue	26	37%		36	51%
m)	Water rescue	10	14%		14	20%
n)	Weather Warning Enhancement project	48	69%		28	40%
o)	Communications Link (Satellite Phones)	64	91%		30	43%
p)	Floodplain Mapping	26	37%		7	10%
q)	Training	50	71%		57	81%
r)	Other (specify)	0	0%		0	0%

- 2) What types of disasters and/or emergencies have occurred causing damage in your county in the last three (3) years?

RESPONSES 70

46	66%	a) Flooding	28	40%	b) Tornado
43	61%	c) Hurricane	1	1%	d) Earthquake
24	34%	e) Drought	44	63%	f) Fire
54	77%	g) Strong Winds	0	0%	h) Radiation Leaks
58	83%	i) Chemical Spills	4	6%	j) Dam Failure
2	3%	k) Landslides	57	81%	l) Winter Storms
57	81%	m) Lost Person (search and rescue)	8	11%	n) Mass Casualty Transportation Incident
2	3%	• Other (specify)			

- Bridge collapse; tour bus accident

- 3) What were some of the needs of your citizens and/or local government during a disaster and/or emergency?

RESPONSES 68

27	40%	a) Clothing	60	88%	b) Temporary Shelter
53	78%	c) Food	48	71%	d) Water
36	53%	e) Housing	47	69%	f) Financial Assistance
14	21%	g) GIS Mapping	8	12%	• Other (specify)

- Transportation, medicine, heating fuel; Other Administrative assistance; Equipment & manpower; Generator; National Guard, additional law enforcement, DOT resources, and timely accurate information; communications, coordination, cooperation; electricity

APPENDIX B

SUMMARY OF LOCAL EMERGENCY MANAGEMENT SURVEY RESULTS

4) How were these needs identified?

RESPONSES 68

55	80%	a) Use of local fire/rescue squads	47	68%	b) Personal observations
61	88%	c) Telephone calls from citizens	35	51%	d) Report of needs from citizens walk-ins
53	77%	e) Information reported by other county/state departments	9	13%	• Other (specify)

- Damage assessment team, Windshield Survey, Media, by the county (lead) EOC Director, staff, and county officials, EM evacuated area, American Red Cross

Assistance Received

5) What type of assistance did your county receive from FEMA and the State as a result of the emergency and/or disaster?

RESPONSES 57

	FEMA			State	
a) Public Assistance	48	84%		40	70%
b) Hazard Mitigation Grant	33	58%		31	54%
c) Individual Family Grant	34	60%		23	40%
d) Repair & Relocation Funds	26	46%		20	35%
e) Temporary Housing	19	33%		17	30%
f) Housing buyouts	28	49%		22	39%
g) Relocation Assistance	15	26%		12	21%
h) Property Tax Loss Reimbursement	4	7%		6	11%
i) Interest Rebates for Businesses	2	4%		3	5%
• Other (specify).	1	2%		2	4%

- Elevation Grants; SBA; Recovery & PIO Assistance

6) How did you communicate your needs to: FEMA?

RESPONSES 59

- State Emergency Management.
- FEMA representatives.
- Verbal request, written request.
- Through the finance office.
- Meetings with contractor to handle the mitigation.
- Public Assistance meetings.
- DAR setup.

State EM?

- Through our Branch/Field Office
- Through Area Coordinator
- SERT representatives
- Verbal request, written request, In person.
- By phone, fax, email, EM2000 computer program, pager.
- Emergency Management Survey and PA briefings.
- County contact.
- Meetings with the Governor's Authorized Representative.
- DAR setup & State Warning point.

7) How were victims notified of available assistance?

RESPONSES 60

54	90%	a) Newspaper	46	77%	b) Department of Social Services
50	83%	c) Radio	34	57%	d) Senior Citizens Center
39	65%	e) Television	50	83%	f) Information at municipal/county government offices.
19	32%	g) Flyers placed on vehicles, at grocery stores, etc.	8	13%	• Other (specify).

- Personal contact, DA-follow-up, Community meetings, Church services, 24 hour local phone number Fire Department, Door to door

SUMMARY OF LOCAL EMERGENCY MANAGEMENT SURVEY RESULTS

8) Were assistance funds (federal and state) distributed timely?

RESPONSES 52

	Yes		No		(Please explain)
a) FEMA	37	71%	15	29%	<ul style="list-style-type: none"> • Temporary housing slow response to citizens. Media stated assistance available but it was months later when the needy received. This resulted in much frustration. • Process took too long. • Consistency in the verification and payment process. Needs to be streamlined user friendly. • Administration and management of all resource and financial matters were poor. • The people that need assistance and could understand what the representative was telling them received help.
b) State	35	67%	13	25%	<ul style="list-style-type: none"> • Process took too long. • Local government has too many people to talk to and meet with before grants can be approved. • State funds are tied to FEMA funding process. • The state had several programs that gave fast assistance to citizens in need. • We did not get funds directly from FEMA. The state sometimes held funds in bank account before passing to counties.

Needs Not Addressed

9) What types of assistance do you feel your office needs from the State EM Office that you have not received?

RESPONSES 39

9	23%	a) Resource requests	21	54%	b) Educational materials
17	44%	c) Training	18	46%	d) Planning
13	33%	• Other (specify)			

- Open line of communication, team work.
- NOAA Weather System
- Access to government surplus same as law enforcement.
- Assistance with update of emergency operations plan.
- Handouts for the public.
- State office was good to work with.
- Education in Spanish.
- Technology – uniform process for state and counties.
- Additional funding for county level programs.
- State field staff needs to do more than casual drop-by and productivity be measured by support to County. Counties need technical support and programming assistance.

10) What type of needs does your county have that have not been addressed? **RESPONSES 30**

2	7%	a) Temporary Housing	2	7%	b) Public Assistance
6	20%	c) Hazard Mitigation	5	17%	d) Permanent Housing
2	7%	e) Reimbursement for Property Tax Loss	6	20%	f) Repair & Replacement Funds
1	3%	g) Small Business Loans	4	13%	h) Relocation Assistance
1	3%	i) Individuals Assistance Grant	8	27%	j) Riverine Debris Removal
12	40%	k) Floodplain Mapping	4	13%	• Other (specify).

- Assistance with mitigation.
- Need credit for flood plain management outside of NFIP
- County's communication system is obsolete with insufficient number of operators

APPENDIX B

SUMMARY OF LOCAL EMERGENCY MANAGEMENT SURVEY RESULTS

11) Are you currently working with emergency and/or disaster victims?

RESPONSES 69

23	33%	a) Yes (please explain)	46	67%	b) No
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- Buyout and relocation housing program.
- Hazard Mitigation Grant Program.
- Replacement and Repair Program
- Elevation projects underway.
- In the beginning phase of our crisis housing grant program there were major implementation problems with this program.
- Hurricane Floyd recovery.

12) What complaints or questions have you received regarding the FEMA's or the State's response to residents after an emergency and/or disaster?

RESPONSES 57

	FEMA			State	
a) Agency took too long to respond	20	35%		14	25%
b) Too much paperwork involved	46	81%		28	49%
c) Citizens didn't understand the process	41	72%		29	51%
d) Designated telephone numbers always busy	21	37%		11	19%
e) Assistance received was not enough to meet needs	32	56%		25	44%
• Other (specify)	11	19%		4	7%

- Often a disaster is not of sufficient magnitude to warrant a disaster declaration that includes both PA and IA and a few citizens have complained about losses not covered because IA was not authorized.
- Representatives from agencies (especially FEMA) would come into county & give people conflicting information.
- Did not know who was receiving assistance.
- Confusing paperwork & process for many citizens.
- Needed to be more in-depth with some people because of fraud.
- State field staff were reluctant to give answers as indicated by lack of training. Often state and local government personnel are confused with FEMA resulting in confusion with the citizens. State needs professional recovery staff assigned to each county EOC for the duration of the recovery event.

Performance Assessment

13) Please rate the NC Division of Emergency Management (Raleigh Office) in the following areas:

RESPONSES 70

	Excellent		Good		Average		Fair		Poor	
a) Planning	7	10%	41	59%	10	14%	5	7%	6	9%
b) Preparedness	13	19%	38	54%	10	14%	6	9%	3	4%
c) Coordinating	7	10%	33	47%	16	23%	5	7%	7	10%
d) Response	9	13%	36	51%	16	23%	8	11%	1	1%
e) Recovery	5	7%	37	53%	17	24%	7	10%	1	1%
f) Mitigation	7	10%	33	47%	17	24%	8	11%	2	3%
g) Accessibility (daily basis)	26	37%	25	36%	13	19%	4	6%	2	3%
h) Accessibility (emergency basis)	29	41%	28	40%	8	11%	5	7%	0	0%
i) Communication	15	21%	27	39%	17	24%	8	11%	4	6%
j) Timeliness of information	10	14%	23	33%	17	24%	14	20%	6	9%
k) Accuracy of information	8	11%	34	49%	14	20%	11	16%	1	1%
l) Availability of training	11	16%	28	40%	16	23%	8	11%	5	7%
m) Quality (including instructors) of training	19	27%	27	39%	13	19%	3	4%	3	4%
n) Quantity of training	17	24%	21	30%	18	26%	9	13%	5	7%

APPENDIX B

SUMMARY OF LOCAL EMERGENCY MANAGEMENT SURVEY RESULTS

14) Please rate the Emergency Management Branch Manager in the following areas: **RESPONSES 70**

	Excellent		Good		Average		Fair		Poor	
a) Planning	23	33%	33	47%	10	14%	3	4%	2	3%
b) Preparedness	25	36%	37	53%	7	10%	3	4%	1	1%
c) Coordinating	31	44%	30	43%	8	11%	2	3%	1	1%
d) Response	34	49%	26	37%	7	10%	3	4%	1	1%
e) Recovery	19	27%	36	51%	10	14%	5	7%	2	3%
f) Mitigation	14	20%	34	49%	13	19%	5	7%	2	3%
g) Accessibility (daily basis)	29	41%	27	39%	8	11%	5	7%	1	1%
h) Accessibility (emergency basis)	38	54%	25	36%	5	7%	0	0%	2	3%
i) Communication	29	41%	31	44%	7	10%	1	1%	3	4%
j) Timeliness of information	21	30%	33	47%	11	16%	6	9%	2	3%
k) Accuracy of information	22	31%	35	50%	12	17%	2	3%	1	1%
l) Availability of training	20	29%	27	39%	14	20%	6	9%	4	6%
m) Quality (including instructors) of training	28	40%	29	41%	7	10%	4	6%	3	4%
n) Quantity of training	20	29%	26	37%	12	17%	8	11%	3	4%

15) Please rate the Emergency Management Local Area Coordinator in the following areas: **RESPONSES 69**

	Excellent		Good		Average		Fair		Poor	
a) Planning	17	25%	37	54%	8	12%	3	4%	3	4%
b) Preparedness	19	28%	35	51%	9	13%	3	4%	2	3%
c) Coordinating	27	39%	25	36%	9	13%	2	3%	4	6%
d) Response	32	46%	24	35%	8	12%	2	3%	1	1%
e) Recovery	15	22%	29	42%	17	25%	2	3%	2	3%
f) Mitigation	12	17%	22	32%	18	26%	6	9%	3	4%
g) Accessibility (daily basis)	32	46%	20	29%	8	12%	5	7%	2	3%
h) Accessibility (emergency basis)	36	52%	18	26%	9	13%	2	3%	2	3%
i) Communication	31	45%	20	29%	10	14%	5	7%	1	1%
j) Timeliness of information	24	35%	25	36%	13	19%	4	6%	1	1%
k) Accuracy of information	23	33%	29	42%	13	19%	1	1%	1	1%
l) Availability of training	18	26%	27	39%	12	17%	5	7%	3	4%
m) Quality (including instructors) of training	20	29%	26	38%	12	17%	4	6%	3	4%
n) Quantity of training	17	25%	23	33%	16	23%	5	7%	4	6%

16) Has your county participated in any formal assessment of an emergency and/or disaster?

RESPONSES 65

36	55%	a) Yes (please identify & explain)	29	45%	b) No
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- Terrorism Assessment conducted by the State.
- Recent table top and full-scale exercises; Local drills to test county capabilities in response.
- Standard review of lessons learned after each disaster. These are formal but informational and educational designed to identify and correct weaknesses in planning, response, and recovery.
- Met with State Auditors in Nash County on April 3, 2001.
- FEMA sent in an assessment team after Hurricane Floyd that interviewed county officials.
- Branch and local manager.

APPENDIX B

SUMMARY OF LOCAL EMERGENCY MANAGEMENT SURVEY RESULTS

17) Are there recovery lessons your county can share?

RESPONSES 57

18	32%	a) Yes (please identify & explain)	39	68%	b) No
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- Maintain good open communications with all local public officials and department heads.
- Keep good records. Request anything you need as soon as possible. Anticipate your needs, be patient.
- Make recovery part of response & address as part of plan-not as separate operation.
- Post Incident Damage assessments need to be uniform.
- County has completed formal after action assessments performed by independent consultants.
- Allow various program directors to do what they do best and adapt their current program procedures to emergencies/disasters.
- Assign a victims contact within local office. Put a recovery team in place. The process is big for one agency to try to oversee.
- Outside resources should have the experience and knowledge of programs they represent.
- When we have outsiders to help, we need to make sure they have someone to go with them to some of the areas of the counties. We had several citizens left out in the first set of damage assessments.
- Utilize more civic organizations.
- There are more public and private donations than is needed; winds up in landfill. Well meaning persons and organizations just "show up" often compounding an already bad situation. Even visits from the high ranking officials (Governor or President) can be unwelcomed when it interferes with efforts of response and recovery personnel who have to stop doing their jobs for security reasons. FEMA pays out less and the state has no money, therefore the burden falls to locals/local government. Search for grants or working more closely with the private sector becomes more imperative to take care of local needs.

18) Has your county approached planning for emergencies and/or disasters differently since you experienced an emergency and/or disasters?

RESPONSES 67

48	70%	a) Yes (please identify & explain)	21	30%	b) No
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- Plans currently being updated; area when plans were lacking new ones were/are being developed or written; more emphasis on planning, exercising, etc.; plans must be workable
- The rewritten county EOP includes agencies with their capabilities and duties listed.
- Flooding that can, and has occurred with Hurricanes; we try to be more prepared, better organized.
- Plan to work more with the private sectors.
- We critique after each event, review our plans, and make changes where needed; incorporate "lessons learned".
- Addition of more staff and reorganization of Emergency Services department.
- More cooperation between agencies, both state & local.
- Learn to be more self-sufficient; outside agencies cannot deliver as promised on many occasions and resources are not as available as once thought; efforts to obtain more locally owned/contracted.
- Implementation of Incident Command System along with more emphasis on preparedness and planning.
- Increase in public information.
- After Floyd we have added 22 phone lines and a generator to our secondary EOC and a generator to our shelter and receiving point.
- We have modified the damage assessment forms to fit our county's needs and trained our responders in the new plan for damage assessment.
- Established a database for county population with special medical needs, obtained shelterees to stock supplies, stocked a warehouse with supplies.
- When we know a threat exists key people begin meeting as much as 72 hours in advance to review potential problems, assign tasks, and review roles. Meetings are usually held twice a day.
- The reality that it can happen here has positively influenced the decision makers and elected officials.

19) What type of mitigation programs has your county implemented?

RESPONSES 44

22	50%	a) Public Assistance	12	27%	b) Temporary Housing
14	32%	c) Individual Assistance	11	25%	d) Relocation Assistance
21	48%	e) Buyouts	12	27%	• Other (specify)

- Building code enforcement
- Home elevation program
- Amended flood ordinance.
- Development of a mitigation plan and strategies.
- Generators for shelters.

APPENDIX B

SUMMARY OF LOCAL EMERGENCY MANAGEMENT SURVEY RESULTS

20) Does your county have input into the State Operations Plan?

RESPONSES 59

6	10%	a) Yes (please identify & explain)	53	90%	b) No
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- We are asked for comments during annual conferences.
- Communication to the division.
- Provide input through branch office.

Program Issues

21) What issues, if any, have resulted in the delay of funds being distributed to local governments or victims?

RESPONSES 31

- The FEMA buy-out program has been a slow one for us to manage; some families would have been in the buy out if funds had been available before they fixed their homes.
- We have not received reimbursement for response to Hurricane Floyd victims due to State budget.
- Too much red tape; FEMA usually changes the rules in mid-stream. This adds to the confusion and frustration in recovery processes. You are not given the information you need to comply.
- FEMA's rule of not paying for standby time of equipment and personnel at incinerator sites. The state eventually compensated per diem for the volunteers. This did not cover their expenses.
- SLA Grants to counties now take longer time period. Reimbursement is only done once a year.
- We do not know who has received assistance from FEMA or State.
- Lost documents by State/FEMA; use of too many temporary employees that could not do the job.
- Difficulty in identifying the appropriate point of contact; relief programs should be consolidated under one lead agency. Because of the various state departments involved, it resulted in a wide array of the requirements and inconsistencies.
- Change of leadership with state government. Processing damage assessments and funding turn around.
- State was not prepared to handle the volume of applications or assistance. NC made a mistake in not letting FEMA provide more of the management assistance.
- PA funding has come in rapidly.

22) How were residents notified of the evacuation prior to and the response efforts following the emergency and/or disaster?

RESPONSES 55

	Prior to Disaster		After Disaster	
a) Radio	44	80%	40	73%
b) Television	42	76%	39	71%
c) Newspaper	32	58%	38	69%
d) Door-to-Door notification	37	67%	27	49%
• Other (specify)	6	11%	9	16%

- Representatives from State & FEMA; public meetings; flyers/Fire Dept & Rescue personnel; National Weather Station alert radios, cable warning systems; Two-way radios and community sirens; Friends, neighbors, and civic organizations; ride through neighborhoods by law enforcement using PA system.

23) What problems, if any, have you had with the close out of projects (federal and state)? **RESPONSES 30**

- Close outs are too slow. Still waiting close-out on Fran (1996). Still waiting for Floyd (1999) payment.
- Takes too much time to handle paper work; available documentation & understanding request; trying to make sure all this is correct.
- Not participating in the flood insurance program previously and a slow federal response combined with state paperwork resulted in the loss of federal funds for a bridge replacement project from 1990-1991.
- People submitting late.
- Personnel changes at the state level has caused requests for repetition of information; lost documents by State/FEMA; untrained personnel; lack of central management to have questions answered timely.
- Manual check processes as opposed to electronic fund transfer. Excessive delays in receiving FEMA payment through State.
- As fast as we finish with one program, another one starts and the people that we just helped want help again. The government has given the impression that it will take care of all citizens when severe weather strikes if they had damages or not.

SUMMARY OF LOCAL EMERGENCY MANAGEMENT SURVEY RESULTS

24) Do you believe services (training, planning, coordinating) are more effective when provided by:

RESPONSES 70

9	13%	a) One Individual	58	83%	b) Specialists in each area of services
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- The answer is situation dependent. Some items are best addressed by a single generalist while more complex issues require specialized personnel. Generally, the approach of having a primary contact who draws upon specialized resources is the best approach.
- An individual can better relate to the locals because they are aware of the various demands from the different areas, however, the actual quality of a particular area is probably improved by using specialists. If specialists are used, they need to communicate with the other specialists to have a better understanding of the entire situation.
- The quality of our training and planning has most definitely declined since the services have been combined under one individual.

Suggestion for Improvement

25) What suggestions do you have for expediting the funding process from FEMA and the State to the local governments or victims?

RESPONSES 38

Rules/Paperwork:

- Eliminate duplicate/useless paperwork; utilize technology to streamline.
- Cut some of the red tape, have damage assessment done by locals and go with their figures.
- Look at contracting out this process.
- Streamline PA/IA process. Consolidate state recovery process under one lead agency that has the authority to eliminate turf battles and make decisions that are consistent. Set consistent rules for receiving funds at the local level and the individual level.
- Utilize generic forms for both agencies. Recognize and accept general county accounting practices.
- If a county is declared a disaster, set up a one-stop shopping center in that county.
- The public responds well to telephone registration. The problem seems to be that the rules change from emergency to emergency. The state is caught in the middle between FEMA and us.
- Coordination between FEMA, State, and locals and sharing of information; Teleconference calls, emails, and newsletters.

Personnel:

- Assign a person to work with each county that is providing assistance or involved in a project.
- Clearly outline limits and responsibilities. FEMA has some resources it can make available to the State. But the agency is not designed for responses and operations. Its role is recovery. The State is far more capable in answering response efforts. Through tracking incidents and coordination of resources available to local jurisdictions.
- Build a well-trained cadre of disaster reservists. Utilize local emergency management county personnel who are not impacted by the event to help the State and other counties in recovery.
- Train local government on the details of the recovery; Have a local person assist the FEMA representative when they are assessing the county.
- Great improvements have been made when you compare the process of Floyd to Fran & Hugo. FEMA representatives used better training and were talking off the same sheet.

Funding:

- Timely reimbursements for victims and local government.
- Give local government more control over funding; Have a fund balance to draw from immediately when damages are confronted.
- Let state handle FEMA money and send directly to counties for disbursing.

SUMMARY OF LOCAL EMERGENCY MANAGEMENT SURVEY RESULTS

26) Were there any duplicated programs identified following the emergency and/or disaster? **RESPONSES 45**

20	44%	a) Yes (please identify & explain)	25	56%	b) No
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- There needs to be a simple explanation of programs. Many elderly did not know what to apply for and many did not understand nor were they given a clear explanation of the program available.
- Many of the programs were similar in nature, but there was just enough difference in the funding requirements to create confusion with local EM staff not to mention the victims.
- The "kick off" meeting was a duplication of information provided at the other meetings.
- Too many agencies at the onset wanting the same thing; EM2000-Too many duplicated resource requests.
- In the public assistance reimbursement process, prior to payment to the County, everyone wanted to see our insurance settlement. Our insurance proceeds were reviewed at least 6 times on various claims by various people causing monthly delays for the same effort.
- After Hurricane Floyd, many state agencies were directed to do jobs that they should not have been involved in and only caused confusion. For example, our local probation department called and they had to submit a list of shelters to the state. This had already been done at least 50 times.
- The FEMA public relations people are here first. They promise things on behalf of the state and county. Many times we would be better off without this group. Maybe they need to come later.
- Relief Groups; Faith based organizations, local recovery efforts, state recovery efforts, and federal recovery efforts all tried to address the same needs, without being coordinated at the local level.
- We were trying to assist citizens but some were double dipping and we had no way of knowing. The funds need to be placed in a database that should be accessed by others working with the needy; because of "privacy laws" we cannot verify as no one would share applicant information.

27) In what ways could the State better prepare the public for an emergency and/or disaster? **RESPONSES 42**

Education:

- Provide funds for preparedness education for presentations to schools, day cares, senior centers and other agencies and organizations across the state. More educational materials.
- The State does a good job educating the public and they should continue along the same path.
- Public preparedness needs to be handled on the local level.
- The public needs to assume some responsibility for its preparation.

Information:

- More Public announcements.
- A simple, to the point brochure, with a flow chart explaining each step from the beginning to the end. Could possibly have a short explanation of what each agency provides in the recovery effort.
- Provide additional weather radios to counties.
- Get severe weather information out more than a few days in advance. Time is needed to plan and present.
- The State currently has an excellent public information program, assisted by several local EM programs.

Planning:

- Have Local EM involved in planning. Cooperate and take ideas and input from counties. Very little communication with the State now.
- The State of NC is in excellent shape. NCDDEM does a great job overall. They have little funding, minimal staff, and are still considered one of the top organizations in the country.
- Staffing should be placed in the field, instead of the state (Raleigh) office attempting to coordinate.
- Reduce bureaucracy and eliminate people in Raleigh and replace them with knowledge people. Let the areas and the locals take care of their own problems.

Funding:

- State Lottery for funding.
- Better pay for State EM employees.

SUMMARY OF LOCAL EMERGENCY MANAGEMENT SURVEY RESULTS

28) What suggestions do you have to improve the following areas: **RESPONSES 37**

a) Evacuation and response efforts?	<ul style="list-style-type: none"> • Work to create a model plan; a defined shelter plan is needed. Create plans in conjunction with those responsible for implementing them. Communicate those plans prior to an incident requiring their implementation. • More critique of what we have done, and make corrections to our problems. Put personnel in area ahead of storms. • Need a concise definition of mandatory & voluntary evacuation. Improve alert notification capabilities statewide, i.e. reverse 911 system cable override systems. • Improve traffic flow through inland counties. • Train emergency responders in the ICS system. • Have more local EMC in statewide response. • Money for communication equipment. • Focus greater emphasis on individual use of weather alert radio systems. • Enhance public education programs. • Quicker response from state. • Community sirens. Automatic phone system tied into the GIS system. Need funding in all areas.
b) Recovery and mitigation notification efforts?	<ul style="list-style-type: none"> • Continue program. • More up front involvement of the local EM office. • Keep all concerned apprised of events. • Don't get hung up in bureaucracy. Cut red tape. • Mitigation process needs to be simplified. • All towns should have to get mitigation planning when they receive recovery funds. • Mitigation and flooding efforts need to be targeted and expanded. • Eliminate NFIP requirement in favor of performance based flood plain management. • Anyone who signs up and receives a FEMA # should be put on a shared database so that all program activities are monitored and cross-referenced to make sure that all of those who signed up received the assistance they needed. • Encourage family preparedness with an incentive program. • Enhanced public education programs.
c) Training provided by the State EM Office?	<ul style="list-style-type: none"> • Need more funding for training; have dedicated staff; Hire/use individuals experienced in the fields. • Concise training for public officials. Need to shorten courses to 1 day from 3-4 days • Train local coordinator to teach all programs. • Make more training available on the web. Also, many FEMA courses could be reduced in duration to accommodate better delivery. • Have training established through accredited community colleges or other such institute. • The state has left the local coordination out of the loop. • Restore training division to former levels. Have someone in all areas of state. • Provide more training perhaps on weekends where more emergency responders can attend. • More incentive for training.
d) State Operations Plan?	<ul style="list-style-type: none"> • Stop changing operation sections names. Give name & stick with it. • Would like to have a copy of the plan or at least have access of it through the internet. • Seek local input and comments on the S.O.P. • Keep it simple. • Use the many disasters to update programs.

SUMMARY OF LOCAL EMERGENCY MANAGEMENT SURVEY RESULTS**29) How can the relationship between FEMA, NCEM and your county be improved? RESPONSES 36****FEMA:**

- FEMA relationship is fine; has done a good job addressing training, publications, and public education.
- The only relationship I feel we have with FEMA is after the disaster; Would like to see FEMA reps at times other than disasters.
- All FEMA policy should be interpreted the same. It seemed as if everyone was contradicting each other, including the issue on reimbursement.
- Reduce paperwork; Have FEMA bring training to us locally where they can share their resources and show us how we can benefit from them.
- Very few FEMA personnel have ever been front line responders, yet FEMA is the first organization to try to tell locals how to do their jobs. They fail to educate locals on the "rules" and when they do FEMA changes the rules.
- Have the Emergency Management coordinator (county level) report and confirm damage. Have FEMA agent respond within 48 hours after a presidential declared disaster.
- FEMA needs attitude to help people in disaster situations.

NCEM:

- NCEM does a great job! Without fail, when I have called they have been there. Thumbs up to NCEM!!
- For the most part, our county has a great relationship with NCEM.
- Put NCEM and National Guard under direct control of Governor and hire a director that can communicate with a local EM Management Coordinator.
- As long as the division is under a department and does not have political clout, things will never change. The state cannot operate an operational response based program, they have nothing to respond with. The state needs to help fund and build the county's capability, and focus on the coordination of state and federal resources in the recovery efforts.
- Try to maintain a consistency with project managers throughout the East; Have more one-on-one meetings through the branch offices.
- Consider comments/suggestions/opinions from counties other than those with 100,000 plus population.
- Return NCEM to regional offices with appropriate response, recovery, and technical support personnel. Regional offices should cover no more than 5-8 counties. NCEM needs to issue more policy, direction and professional management in concert with local government EM programs.
- There use to be a partnership between the State and locals, we don't have that any more. Area offices were closed and State began planning in a vacuum. An emergency is a local event. State needs to assist us when we exhaust our resources.
- Ability to make a call and ask for advice and guidance without having to go through several channels. Area coordinators should have an office and not be assigned to their homes. Area coordinators should be responsible for emergencies in their area and not areas across the state. Having area coordinators on call for the entire branch seems inappropriate especially when you may get an area coordinator that has no idea about situations in your county.
- Work with the county to establish performance objectives based on individual county needs, and base funding on percentage of completed objectives.
- Two-way communication. State needs to view the counties as customers. Ultimately, the citizens are our customers, but both the state office and the counties need each other in order to serve the citizens. There have been some improvements in this area in the past few months but needs to continue.
- Open lines of communication. Eliminate "short suspense" time limits. In other words, do not send me something today that needs to be completed and returned next week.
- Meet periodically to talk about issues, cannot do it all on paper.
- Some type of continuity needs to be established for the long term, rather than dealing with so many persons that have no disaster background.
- More funds allocated specifically for EM projects especially for small counties where the LEMC wears several hats.

SUMMARY OF LOCAL EMERGENCY MANAGEMENT SURVEY RESULTS

30) Please discuss any other concerns you have regarding the Division of Emergency Management's operations.

RESPONSES 37**COORDINATION:**

- Very pleased with the State Division of Emergency Management; EM is vital to the safety & recovery to citizens of our State.
- Overall the job that gets done is wonderful for the citizens of North Carolina especially during emergencies. Need to remember there are 100 counties and the Cherokee Indian Reservation. Each operate differently, but they operate for the good of their citizens and only the local coordinators know how to deal on that level with their citizens. A feeling of support from the State level and a feeling of teamwork would go a long way in the working relationship.

FUNDING:

- Last year the funding level to local emergency management offices was changed to benefit larger counties. While the NCEM endorsed this new formula, comments from smaller counties arguing against this move were never acknowledged. Decision adversely affected smaller counties that have less revenue than larger jurisdictions.
- Grants should be administered in a way that is fair to all, not approved at the Branch level and then over-ridden at the state level. Remove "Politics" from making good, fair decisions.
- Mitigation with the county to establish performance objectives based on individual county needs, and base funding on percentage of completed objectives.

PERSONNEL:

- EM should not be looked at as a political football. In planning, responding, and recovery of a disaster we need professional trained persons to handle the situation. When we move people in and out, we lose trained persons who know what they are doing. They are always available and they are quick to respond. We need to look and work to seek funding for the local EM director offices. We are glad that we have been provided with some technology in the field over the years.
- Area coordinator has too many other requirements which limit the ability to visit the local offices more frequently; Personnel spread too thin; Need more personnel to work directly with counties.
- Turnover, low pay, lack of professional EM credentials is crippling NCEM; have lost a lot of good personnel on the state level over the last few years; new ones need training before being put in positions.
- Eliminate the 6 Regional Response Teams and contract this out with private providers to save money.
- Although the State EM says they have resources in place in a disaster, unable to deliver where needed.
- Take another look at the Radiological Emergency Preparedness program; either give this more attention or turnover more of the programmatic responsibilities to the counties.

TRAINING:

- Training should be the number one priority; let experienced people train; Reduce the amount of time required for conferences, i.e. Hurricane Conference. Too much time wasted for breaks, socials, dinners, etc.; Continue to fund training.
- Emphasis should be placed on assuring local preparedness is in place and functional prior to disasters.

COMMUNICATIONS:

- Simple requests are belabored by duplicate channels that must be cleared; Better communications is needed between FEMA, State and Locals.
- Local government officials and citizens look to the county EM office as the point of contact for anything concerning EM. There seems to be a growing trend for the county EM office to be bypassed. The county EM office is where response (which includes all aspects of EM-preparedness, response, recovery, and mitigation) to an emergency or disaster begins and ends. There should be major efforts to strengthen the county EM programs rather than to circumvent them.
- The branch is doing an excellent job but I feel there is something missing between the state office and the locals. The state seems to have forgotten what it is like to work as a team.
- There needs to be more communications from the Branch office as well as the Area Coordinators. The area coordinator should visit his counties at least once a month.
- Seems to be a breakdown in communications between Raleigh and the branch offices and then to the Counties. The counties sometimes provided information from Raleigh that the branch office and area coordinators had no idea about. In a disaster situation, that can be fatal.
- Concerned with NCEM's reliance on EM2000 as a communications tool, especially to request resources and then to follow up on resource requests. This system, unless considerable improvements have been made, is far too cumbersome for the average person. Very little formal training is offered and what is offered is infrequent.
- The process from idea to product is much too long; state will tell counties they have good idea but nothing done.

SUMMARY OF WEATHER RADIO ALERT PROJECT SURVEY

RESPONSES SHOWN IN BLUE

TOTAL # MAILED: 101
TOTAL # RESPONSES: 25
RESPONSE RATE: 24.8%

1. Did your county receive weather radios through this project? **RESPONSE 25**
(25) 100% a) Yes 0 b) No 0 c) Another source (please explain)

2. How many did you receive? (please list actual number) **RESPONSE 25**
2,744 - Question #3 and #6 add back to this number of radios received

Response by County of Number of Weather Radios Received					
County	#	County	#	County	#
#1	36	#2	107	#3	66
#4	40	#5	37	#6	19
#7	115	#8	193	#9	230
#10	40	#11	72	#12	59
#13	20	#14	580	#15	20
#16	132	#17	320	#18	100
#19	43	#20	36	#21	36
#22	108	#23	122	#24	74
#25	139				

3. How many weather radios has your office distributed to nursing homes, day cares, and schools in your county? (please list actual number for each category) **RESPONSE 25**
a) Nursing Homes 236 b) Day Cares 989 c) Schools 519 Other 409

4. Are all the weather radios you distributed receiving the National Weather Service signal? If no, go to question #5. **RESPONSE 22**
a) Nursing Homes b) Day Cares c) Schools Other
☐ a) Yes ☐ b) No ☐ a) Yes ☐ b) No ☐ a) Yes ☐ b) No a) Yes b) No
18 3 18 3 17 5 16 0
82% 14% 82% 14% 77% 23% 73% 0%

5. How many of those distributed are receiving the National Weather Service signal? (please list actual number for each category) **RESPONSE 11**
a) Nursing Homes 88 b) Day Cares 277 c) Schools 173 d) Other 5

Note: These numbers only represent the number of radios receiving signals for those counties responding "NO" in question #4.

6. How many weather radios are being held in your office waiting for **RESPONSE 22**
☐ a) transmitter coverage in your area ☐ b) personnel to distribute ☐ c) other reason (please explain)
Number? 428 33 130

SUMMARY OF WEATHER RADIO ALERT PROJECT SURVEY

7. Who are you working with at the State level to try to get this service? (please list agency and person if possible)

RESPONSE 16

(7) 44% EM Representative (2) 13% National Weather Service
(2) 13% NCEM (1) 6% No one

8. How long is it estimated to be before your county has the necessary transmitter coverage to use the weather radios?

RESPONSE 17

(3) 18% Most of county has coverage (1) 6% Soon
(1) 6% At best, a year (6) 35% Unknown
(2) 12% Six months or less (3) 18% N/A
(1) 6% Currently have coverage

 EXAMPLE OF INTERGOVERNMENTAL COLLABORATION

MCTFER

Military-Civilian Task Force for Emergency Response

INTERGOVERNMENTAL COLLABORATION FOR EMERGENCY RESPONSE

United States Marine Corps
Base Camp Lejeune
North Carolina



Onslow County Office of
Emergency Services



City of Jacksonville
North Carolina



Established in August 1998 as a result of a near tragedy involving a USMC helicopter crash in the local civilian community, MCTFER's purpose is to improve public safety by coordinating all regional emergency services resources, both military and civilian, in the event of a regional disaster. MCTFER, a model program receiving national recognition, demonstrates the value of intergovernmental collaboration for emergency response. Like most military communities, the lives of the civilians and military personnel in Onslow County are intertwined. The majority of our local population includes active duty and retired military personnel and their family members, all sharing close ties to our local military installations. Unfortunately, our official population counts and our local tax base which provides the foundation for local emergency services funding does not adequately reflect the mobile active duty component of our bases.

MCTFER solves this dilemma by bringing together local and federal military emergency services under an approved and accepted Incident Command System, providing control for a unified, coordinated response to major incidents that affect the general welfare of our greater community. The synergistic effect of a unified response effort substantially increases the community's emergency support capacity, presenting a much greater effort than could ever be achieved by any single entity.

EXAMPLE OF INTERGOVERNMENTAL COLLABORATION

The concept of intergovernmental collaboration for emergency response has universal application that can be applied to any community that resides adjacent to a military facility. Although there are many regulatory restrictions regarding military support to civil authority, Department of Defense Directive 3025.1 authorizes the local military commander to render immediate response to civil authorities in order to “save lives, prevent human suffering, or mitigate great property damage under imminently serious conditions.” Letters of mutual support can be exchanged between civilian and military emergency services organizations to expedite a clear and efficient response effort. Furthermore, response liability and policy issues can be overcome through mutual aid agreements and letters of intent.

A monthly luncheon meeting co-chaired by the local director of civilian emergency services and the military department head for installation safety and security facilitates the continuous development of close working relationships between the various entities and fosters cooperation. This effort is enhanced by the participation of the following:

- | | |
|---|------------------------------|
| • Local Military and Civilian Hospitals | • Fire Departments |
| • Volunteer Fire and Rescue Departments | • Emergency Medical Services |
| • State Emergency Response Team | • Local Law Enforcement |
| • Coastal Carolina Community College | |

Major products of the meeting include information exchange and contingency planning. Working groups, composed of military and civilian members, are established to develop mutual aid agreements, annual exercise requirements, and to address ongoing issues and efforts.

The MCTFER concept is a grass roots effort that works. The development of this concept required significant changes in the traditional relationships between the politically sensitive local civilian community and the highly regulated military establishment. This public-private collaboration requires little additional funding and yet has demonstrated its effectiveness as a significant force multiplier for emergency services support on every occasion. Integration of training with the United States Marine Corps training facilities, along with Coastal Carolina Community College and State Emergency Response Teams has resulted in the highest levels of documented readiness ever achieved. Additionally, MCTFER has been integrated into the response planning for the aftermath of a terrorist event should one occur in our community.

Our region’s recent experience with biblical floods resulting from a series of hurricane-induced rains confirmed the value of our organization. MCTFER is built upon the credo that “it is amazing what may be accomplished when no one really cares who gets the credit.”

SUMMARY OF STATUTORY AUTHORITY

AUTHORITY

Federal Public Law 93-288—the Stafford Disaster Assistance and Emergency Relief Act--defines the federal government's roles and responsibilities for coordinating federal efforts of preparing for and responding to emergencies or disasters. The Federal Emergency Management Agency (FEMA) has primary responsibility for coordinating federal response efforts. FEMA also provides resources and financial assistance to state and local governments for responding to emergencies and disasters.

Federal Public Law 106-390--the Disaster Mitigation Act of 2000 amended the "Stafford Act" to authorize a program for pre-disaster mitigation to streamline administration of disaster relief and control federal costs of disaster assistance.

GS 143B—Executive Organization Act of 1973--created the Department of Crime Control and Public Safety. One of the Department's key duties is responding to natural and man-made emergencies or disasters. The Secretary of Crime Control and Public Safety has the authority to use and allocate all available State and local resources to cope with emergencies and disasters.

GS 166A—North Carolina Emergency Management Act of 1977--defines the authority and responsibilities of the Governor, State agencies, and local governments in preventing, preparing for, and responding to natural and man-made disasters. While numerous State and local agencies are involved in planning for and responding to disasters, the Division of Emergency Management within the Department of Crime Control and Public Safety is the lead agency responsible for managing and coordinating the State's efforts to prevent, prepare for, and respond to disasters.

Senate Bill 300, ratified June 15, 2001, made sweeping changes to GS 166A. Changes to the law include:

- Disasters will be proclaimed a Type I, Type II or Type III disaster. Type I expires 30 days after declaration and can be renewed up to 120 days. Type II expires in six months and can be renewed up to 12 months. Type III expires in 12 months and can be renewed. Type I and II declarations can be renewed by the Governor or General Assembly and Type III can only be renewed by the General Assembly;
- State funds are to be used when federal assistance is either not available or does not adequately meet the needs of the citizens of the State;
- Outlines eligibility for Public Assistance Grants; and
- Identifies specific grants that can be established under Type II and III disasters.

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North Carolina Department of Crime Control and Public Safety

Michael F. Easley, Governor

Bryan E. Beatty, Secretary

December 5, 2001

The Honorable Ralph Campbell, Jr.
State Auditor
20601 Mail Service Center
Raleigh, NC 27699-0601

Dear Mr. Campbell:

Thank you for the opportunity to review and comment upon the draft report entitled *Performance Audit, North Carolina Division of Emergency Management within the Department of Crime Control and Public Safety, November 2001*. I am pleased to respond on behalf of the Division of emergency Management and our Department.

In general, we agree with many of the findings contained in the report. It is of critical importance that we document, review, and analyze the efforts undertaken by the Division of Emergency Management and this Department during the administration of non-disaster programs and disaster-assistance programs. Through such a comprehensive evaluation process, we can improve the management of our programs and ensure compliance with all policies and procedures established for their implementation.

I thank you and your staff for the comprehensive work completed during the review of our non-disaster and disaster-assistance programs. I believe that the assessments outlined in this report will be critical to improving the Division's and the Department of Crime Control and Public Safety's programs, operational policies and procedures in the future.

Please contact me if you have any questions.

Sincerely,

Bryan E. Beatty
Secretary

BEB:js

Enclosure

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The Division of Emergency Management and the N. C. Department of Crime Control and Public Safety response to the specific findings and recommendations in the November 2001 Performance Audit, Division of Emergency Management, is outlined below.

THE DIVISION IS PAYING CONSIDERABLE OVERTIME TO TEMPORARY EMPLOYEES:

The Public Assistance and Hazard Mitigation Program management budgets are negotiated with FEMA, with specific staffing patterns submitted for approval. FEMA also provides 100% federal “sliding scale” funding for the payment of overtime and travel associated with these personnel. All actual expenses incurred in the management of the Temporary Housing Program are 100% federally reimbursed. Therefore, by utilizing overtime (at 100% federal cost) versus additional employees (at 75% federal cost for Hazard Mitigation and 10% for Public Assistance), the Division’s approach saved the State of North Carolina and the legislatively approved Floyd Disaster Reserve considerable state dollars.

Furthermore, due to extensive turnover in temporary employees in both programs, which is recognized elsewhere in this audit, the utilization of overtime was necessary and warranted to ensure timeliness of program implementation. At this time, overtime payments have ended.

LACK OF STABILITY HAS HAMPERED GRANTS MANAGEMENT IN THE HAZARD MITIGATION AND PUBLIC ASSISTANCE SECTIONS:

The Department agrees with this finding, in part. The finding does not, however, address two other factors that limit the effectiveness of Hazard Mitigation and Public Assistance: the turnover rates of temporary employees and low wages as compared to other state positions performing similar or lesser duties. The turnover rates cited in the audit finding are for time-limited positions. They do not address temporary positions, which make up over fifty percent (50%) of the Mitigation staff. Thus, turnover rates noted in the report are understated overall. Grants managers in Public Assistance and Hazard Mitigation have pay inequities when compared to other state agencies performing similar duties. Because all newly created positions were created and budgeted at “minimum” of the pay scale, in accordance with the State Budget Manual, pay inequities developed. A pay equity study is being conducted by the Department, and is scheduled for completion in January 2002.

THE DIVISION’S FINANCE OPERATION IS HAMPERED BY LACK OF COMMUNICATION AND DIRECT SUPERVISION:

The Department agrees with this finding. The Department Controller’s Office will document procedures for processing payables and drawdowns with the Division Finance Section. These procedures will be part of the Department’s Administrative Policies and Procedures Manual which will be used by the Division of Emergency Management for reference on how payables and drawdowns will be processed. Periodic meetings between the Department Controller’s Office and the Division Finance Section will be held to review administrative policies and

procedures. These meetings, along with an updated Administrative Policies and Procedures Manual, will improve communication between the Department Controller's Office and the Division Finance Section.

The Division Finance Section will work with the Department Controller's Office to ensure documentation and implementation of procedures for processing payables and drawdowns and participate in scheduled meetings to enhance communication between the Department Controller's Office and the Division Finance Section.

The Division is exploring options to house all Finance staff in a single location to improve personal communications.

EMPLOYEE CLASSIFICATIONS IN THE DIVISION'S FINANCE SECTION NEED TO BE REVIEWED:

Prior to 1997, the Division of Emergency Management had only one Administrative Assistant I performing financial management duties, including budget management, accounts payable and receivable functions. Because of the frequency and magnitude of major disasters impacting North Carolina, which dramatically increased the financial management workload, this personnel allocation became inadequate. Through reallocation of existing positions/personnel, and creation of new Time-Limited positions, the "Finance Section" was created in August 1997. The Department and Division will review the existing position classifications for appropriateness during 2002.

EMPLOYEE FILES DID NOT CONTAIN ADEQUATE DOCUMENTATION TO SUPPORT CERTAIN PERSONNEL ACTIONS:

The Division agrees with the finding that in some instances "interim performance evaluation reviews were not conducted or documented." Division policy required supervisors to complete certification sheets documenting their conducting of the interim reviews. At the end of the annual cycle, when the work plans were completed and turned in to the Division's Personnel Office, we discovered that some interim reviews had not been properly documented. In these instances, the supervisors reported they conducted verbal interim reviews, but failed to document the action. In the future, each supervisor will be required to attach a copy of the interim review page to their certification sheet, so that documentation of all completed interim reviews will be immediately available.

Measures have been implemented to ensure that personnel files comply with State regulations. All personnel information will be maintained in one location at the department level.

The department has initiated training for managers and supervisors, which is directed toward improving the documentation concerning hiring and promotion decisions. In addition, the department personnel office is placing additional emphasis on the review of personnel packages to ensure that hiring and promotion decisions are adequately documented.

EMERGENCY MANAGEMENT WAREHOUSING ARRANGEMENTS COULD BE MORE RESPONSIVE:

The Division agrees that additional warehouse space in the eastern and western portions of the state would be advantageous, if available and strategically located. The current budget situation severely limits our ability to acquire additional permanent warehousing facilities. The acquisition of the new facility was made possible through a 100% federal grant to the Division – no state funds were made available for the current facility. In the interim, we are prepared to work with the State Property Office (NC Department of Administration) to locate and immediately secure temporary warehouse space in close proximity of any future disaster situations. This arrangement will cut down on transportation costs and allow for rapid distribution of critical disaster supplies from a nearby facility; it will also be cost effective by eliminating the need for long term contracts for warehouse space.

TEMPORARY HOUSING'S UNIT SALES PROGRAM HAS DOCUMENTATION DEFICIENCIES:

Before applications are submitted to FEMA for purchase consideration, they are reviewed to verify that the individual has met the established criteria. A letter from the Regional Director's Project Officer dated October 29, 2001 states:

"As I stated in our telephone conversation, I do not have any issues of concern with the procedures followed for the eligibility determination being used for the sale of temporary housing units to applicants. Your staff has been coordinating all sales through the FEMA Region IV office. Guidance provided by FEMA personnel instructed your Housing Sales staff to forward potential sales agreements to the regional office for those individuals who had met the established minimum eligibility criteria. The criteria are identified in the FEMA/State Agreement for Manufactured Housing. The 44CFR also addresses eligibility in Section 206-101 page 432."

All applications were reviewed by the Mobile Home Sales unit of the North Carolina Temporary Housing Office. If the applicant did not meet the FEMA criteria, notices were sent to the applicant indicating their ineligibility and which of the criteria they did not meet. For applicants meeting the criteria, further necessary documentation was collected and then the package was submitted to FEMA for approval. All mobile home sales conducted by Temporary Housing were approved by FEMA before the sale transaction took place.

Temporary Housing staff have reviewed the nine (9) files in question. All files indicated review and approval by FEMA. Regarding the possible \$1,500 underpayment for a mobile home cited in the audit, we have again reviewed the National Emergency Management Information System (NEMIS) case file, and determined the applicant initially received IFG funds to replace clothing totaling \$507. At a later date, the amount of the grant was appealed and the NEMIS report would have been changed to indicate a "working total" of the original funds awarded and the appealed amount combined. FEMA eventually denied the appeal,

which meant the applicant never received any additional funds. Thus, the applicant paid the correct amount required for the mobile home.

The grant agreement between North Carolina and FEMA for Temporary Housing allows for the recovery of 100% of the actual costs of the program's administration, including the sale of state- owned mobile homes and travel trailers. State Surplus Property has charged its standard 5% fee for administering disposal through their sealed bid process. FEMA has questioned this approach and recently instructed Temporary Housing to secure authentication of this fee amount through the support of actual receipts, and the certified personnel costs for the sales management and the processing of sales and transfer documents. The Division is seeking a revision to the State/FEMA grant agreement to provide compensation to the State Surplus Property Agency equal to the amount collected for the disposal of all other state property, thus avoiding a federally-imposed double standard and loss of revenue to the State of North Carolina.

The Mobile Home Sales staff makes every effort to complete the sale of units to applicants in a timely manner. Often the time delay is in obtaining information from the applicant or getting in touch with them. Housing Advisors are now being used to contact applicants in cases where they cannot be reached by any other method or when there is an excessive delay in receiving responses or information requested. The objective of Temporary Housing Mobile Home Sales Unit is to assist as many individuals and families as possible in acquiring a permanent housing unit; therefore, cases were often left open for long periods in order to give applicants every opportunity available to succeed.

TEMPORARY HOUSING MAY HAVE BEEN OVER-CHARGED FOR THE INSTALLATION OF AIR CONDITIONERS/HEAT PUMPS FOR MOBILE HOMES:

The Department agrees with the Auditor's recommendations, although we are in compliance with Division of Purchase and Contract guidance. Management will contact FEMA to resolve this issue. Depending on resolution, any necessary action will be taken by the Department and Division to correct the situation.

THE WEATHER RADIO PROJECT HAS NOT BEEN COMPLETED DUE TO A NUMBER OF FACTORS.

THE DIVISION SHOULD MAKE THE COMPLETION OF THE WEATHER RADIO PROJECT A PRIORITY TO ENSURE COVERAGE FOR AS MANY NORTH CAROLINA CITIZENS AS POSSIBLE:

The Department agrees. The project is a significant priority. The distribution of the NOAA Weather Radio (NWR) monitors is complete, and a Radio Frequency (RF) engineer has determined the most effective locations for the new transmitters. The installation at the first site in Johnston County is being completed, and licensure at four other sites is underway.

DIVISION PERSONNEL SHOULD CONTACT LOCAL OFFICES TO DETERMINE DISTRIBUTION STATUS OF THE RADIOS:

The Department respectfully disagrees. We believe that local emergency management agencies know best which facilities need the monitors and exactly which areas currently have reception coverage. Furthermore, the Division instructed county emergency management agencies to store monitors if NWR reception was unavailable. As the Division expands the NWR network, it will notify local agencies when coverage becomes available and, if monitors are stored, that they can be distributed.

THE DIVISION SHOULD CLOSELY MONITOR SIGNAL COVERAGE AS THE PROJECT CONTINUES TO ASSURE THAT THE MAXIMUM COVERAGE IS ACHIEVED AND MAINTAINED:

The Department agrees. This recommendation is part of the project's scope of work. As transmitters are installed, the RF engineer will re-survey transmission coverage. The National Weather Service is responsible for all maintenance after new sites are accepted.

LOCAL EMERGENCY MANAGEMENT OFFICES IDENTIFIED AREAS OF STRENGTH AT THE DIVISION LEVEL AND AREAS NEEDING IMPROVEMENT:

To improve communications, the Division implemented quarterly "forums" in 1999 to improve communications with local emergency management personnel. In addition, a Division newsletter is published bi-monthly, and more frequently as warranted, to share information.

The Division concurs with the recommendation to reduce "red tape", although the audit did not provide specific examples of this to address. We continue to strive to eliminate non-essential administrative processes.

The Division concurs with the recommendation to reduce use of temporary staff in key positions. Budget requests have been made during the last two fiscal years to establish permanent recurring positions for disaster recovery/mitigation programs.

Regarding provision of more education and training, the Division annually conducts a "training needs assessment survey" through county emergency management offices, and the training calendar is developed to address the needs. The Division has one of the most progressive training and education programs in the United States for emergency management professionals. In 1999, with financial support from the Division, Caldwell Community College established an Applied Associate Science (AAS) degree in Emergency Management Technology which has been highly successful. We will continually strive to improve the quality and availability of training and education programs.

PROCEDURES FOR ELIGIBILITY RE-CERTIFICATION OF EMERGENCY DISASTER VICTIMS ARE NOT BEING FOLLOWED:

The 44 CFR 206.101 (2)(K)(3) states: All other occupants of temporary housing shall be certified eligible for continued assistance in increments not to exceed three (3) months, also taking into consideration the occupant's permanent housing plan.

The 30-day re-certification period was established by the Division to ensure that we stayed well within the FEMA Guidelines, and to assist families in achieving their permanent housing plans as soon as possible. In some cases the Attorney General's Office advised that we not re-certify because of pending legal resolution of appeals and lease termination actions. The procedure was later changed for those cases identified as public housing tenants and homeowners waiting on repair and replacement grants and Hazard Mitigation Program Grant (HMPG) buy-outs. All procedure changes complied with FEMA Program Regulations.

To assure compliance with the Temporary Housing Procedures for re-certification and eligibility determinations, the section's applicant assistance staff will monitor re-certification activities through weekly reviews of internal control reports. Based on the result of these reviews, corrective actions have been taken as required. The Section Chief conducts periodic meetings with the staff to evaluate performance, and review policies and procedures to determine if there is a need for procedural changes.

THE OPERATIONS SECTION LACKS WRITTEN POLICIES AND PROCEDURES FOR DAILY OPERATIONS:

The Chief of Operations will convene a policy and procedure development meeting consisting of the three Branch Managers, plus one Area Coordinator from each Branch (to be selected by the Branch Managers). The meeting will be a multi-day working session designed to develop written procedures and policies for use during non-emergency situations by the field staff. The target time for this meeting is January 2002.

EMERGENCY MANAGEMENT'S ADMINISTRATIVE CODE IS NOT CURRENT:

Updating of the Division's Administrative Code will begin in January 2002.

TEMPORARY HOUSING IS CIRCUMVENTING THE PROPER USE OF STATE VEHICLES. TEMPORARY EMPLOYEES ARE USING STATE VEHICLES TO COMMUTE:

The Temporary Housing Program has been extremely difficult to manage, especially due to the dramatic changes in workload and utilization of temporary employees. These employees have been reassigned on numerous occasions to perform emerging urgent needs. While it may have been preferable to recruit and hire new employees each time a workload shift occurred, training would have been nearly impossible to conduct. Therefore, the Division

opted to keep the existing trained employees, and reassign them to new or multiple workstations. For example, the Division managed: four (4) staging/maintenance areas; ten (10) temporary housing group sites; and mobile homes/travel trailers at 1,300 private and commercial sites. As recovery efforts continue, these sites have changed and reduced accordingly.

Motor Fleet Management Regulations, dated January 1998, section VII, paragraph B, Commuting Policy states: "Employees who routinely drive any state-owned vehicle between their home and work station shall reimburse the state for mileage." At no time has any Temporary Housing employee used their assigned car to commute from home to their workstation. The Division's intent was not to circumvent the spirit of this regulation, but to meet current demands as efficiently as possible with existing personnel.

FAILURE TO RECRUIT LOCALLY RESULTED IN UNNECESSARY COST IN THE CARTERET COUNTY REPAIR AND REPLACEMENT PROGRAM:

Temporary Housing continues to attempt to locate prospective employees in the local area. To date, efforts with the county and Employment Security Commission have not produced positive results. Additionally, by utilizing existing available personnel through Temporary Solutions, we have actually saved 20 to 35% overhead costs charged by private temporary employment agencies previously used by the Division during recovery efforts.

Furthermore, there are significant demonstrated cost savings with the Division managing the Carteret County program. Consultants used by local governments in other counties are paid an average of 10% fee to administer the program while the Division's total administrative costs will be less than 5%.

CHECKS THAT WERE RELATED TO THE SALE OF TEMPORARY HOUSING UNITS WERE NOT HANDLED PROPERLY:

As indicated by the Auditor's Note, after discovery of this issue, steps to implement the State's Cash Management Plan have already begun. Procedures in the manual have been revised so that all receipts are secure and their handling complies with the State's Cash Management Plan.

EMERGENCY MANAGEMENT IS NOT IN COMPLIANCE WITH NORTH CAROLINA INFORMATION TECHNOLOGY SERVICES TELECOMMUNICATION REQUIREMENTS:

Thirteen (13) of the seventeen (17) cellular phones referenced on page 35 are Nextel phones, which are on statewide term contract rates. They are currently being billed directly to the Division because Nextel has not yet finalized their billing procedures through ITS.

The other four (4) cellular phones (pg. 35, table 7) are used by personnel in the western part of the state. Two of the numbers have been converted to state contract rates through a different cellular vendor. Two phones are assigned to RRT-6 in Asheville. Alltel was the only cellular vendor at the time those phones were ordered, but provided poor coverage in the west. RRT-6 went directly to another cellular vendor and set up an account. There are now several cellular vendors available through state contract, so RRT-6 has been converted.

THE DIVISION IS NOT ACTIVELY MANAGING CELLULAR PHONE USE:

The Chief of Logistics is responsible for reviewing and assignment of all cell phones and pagers. The Chiefs of Logistics and Finance have procedures in place for monthly review of the cellular phone bills. Policy is in place to request reimbursement from any employee who makes unauthorized personal calls. The Division is developing a policy on cell phone use that conforms to the Department and statewide policies, specifically addressing when personal calls are allowed, and provide this to each employee.

THE DIVISION IS BEING OVER-CHARGED FOR SATELLITE:

Motient had been charging us incorrectly from August 2000 to about May 2001. One of the accounts was charging up to \$70.00+ per phone versus the standard rate plan flat fee of \$35.00 per phone. The Division received a credit of \$8,359.24 for the overcharges and an additional \$5,895 which had been credited to the wrong account.

TELEPHONE SERVICE:

Concerning the four satellite telephones, which are unaccounted for, these instruments were issued to field representatives of state agencies during the height of Hurricane Dennis/Floyd disaster response activities. At that time, all equipment receipt documentation was being performed manually. Now an electronic equipment tracking system has been developed to record the location of all high value items assigned to the Division and to automatically print a hand-receipt for use as back-up whenever the custody of an item is changed.

CASH DISBURSEMENT POLICIES AND PROCEDURES FOR THE DEPARTMENT AND THE DIVISION WERE INCONSISTENT:

The Department agrees with this recommendation. The Department has conducted reviews with the Division and provided documentation to re-emphasize the Departmental and State Procedures for processing payments. The Division has revised and documented its internal step-by-step procedures used to comply with departmental procedures for processing invoices for payment.

NEITHER THE DIVISION NOR THE DEPARTMENT HAS COMPLETE FINANCIAL DOCUMENTATION FOR EXPENDITURES:

The Department has existing procedures requiring control over documentation and filing systems. Payments are never allowed unless supporting documentation is provided and authorized. Steps have been taken to strengthen compliance with established procedures to ensure that documentation is properly maintained in files to support all transactions as required.

EMERGENCY MANAGEMENT CONTRACTS ARE NOT CENTRALLY MANAGED AND DO NOT CONTAIN ADEQUATE SUPPORTING DOCUMENTATION:

Departmental procedures require that all personal service contracts be centrally located. Strengthened internal controls, requiring numerically controlled logs, have been implemented to ensure that personal service contracts are accounted for when routed for signatures and monitored for ultimate return to the Controller's Office for centralized control.

The Division will also adhere to the policies and procedures as outlined in the State Purchasing Manual and Department Directives regarding the supporting documentation requirements for contracts.

THE DIVISION'S FIXED ASSET SYSTEM IS NOT ACCURATE AND DUPLICATES THE STATEWIDE FIXED ASSET SYSTEM:

The Department will provide fixed asset system training and inquiry access for employees designated by the Division.

The Division's internal fixed asset system was primarily developed to provide the capability to track/manage those resources costing less than the \$500 threshold for items in the FAS system.

With the exception of computer assets and inventory items transferred to local governments, an inventory was conducted in 2000 and 2001. An inventory of all assets will be conducted in 2002 and each subsequent year.

Information concerning a large number of the items found not to be located at the site indicated in the statewide FAS system, and/or identified as missing, resulted from a lag in updating the statewide system after the closure of three field offices, the relocation of a Branch Office, and many items being surplus.

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