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PRESS RELEASE

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Homeland security, bioterrorism funds slow to be distributed, more grant help needed, Auditor Ralph Campbell says in new audit

RALEIGH _ North Carolina has been awarded nearly \$200 million in federal funds to prepare for homeland security and bioterrorism attacks, but only about 30 percent of those funds had been spent by June 30, State Auditor Ralph Campbell said in a performance audit report released Tuesday. Some local governments have turned down grants because they lacked the time or expertise to manage them.

A review of homeland security and bioterrorism programs indicates that the State has been awarded \$199.5 million in federal grants and budgeted \$17.9 million in state funds since 2000. Much of the homeland security funding has come through the Department of Crime Control and Public Safety, with the Department of Health and Human Services handling most bioterrorism funding. Other grants also were made directly to the Department of Insurance, the Department of Agriculture and Consumer Services, the State Ports Authority and the Governor's Commission on Volunteerism and Community Services.

Auditors found that local agencies had been awarded \$117 million by the State through June 30, 2004, with another \$27.8 million from the State that directly benefited local governments or agencies. That amounts to 72.6 percent of the federal funds, more than the federal grants require to be spent for local programs. For a variety of reasons, however, only 30 percent of funds awarded through June 30, 2004, have been spent by state and local agencies.

Auditors also noted a number of unmet needs identified by state and local agencies, including a coordinated communication system between emergency personnel and a stable funding source to maintain and replenish emergency supplies and equipment. Those unmet needs amount to at least \$148 million in one-time costs, and \$17.7 million in on-going annual costs.

"North Carolina has made considerable progress in preparing for homeland security and bioterrorism attacks," Campbell said. "State and local officials have built upon existing responses capabilities and developed new capabilities in a number of areas



“However, there is room for improvement in the procedures used to handle these grants,” he said. “For that reason, we are recommending the development of state standards or guidelines outlining how best to use homeland security and bioterrorism funds, as well as increased monitoring of sub-recipients.

“I have long believed that homeland security is one of the critical issues that will be with us for a while, and we wanted to be sure that we are able to track these funds as they make their way from the federal government to local agencies,” Campbell said. “This report sets a baseline for our audit work; it tells us where the money is coming from and where it is going. This is an issue we will be revisiting in the future because there is a significant amount of tax money and a significant public interest involved in the safety of our State.”

The report is available on-line at <http://www.ncauditor.net/EPSSWeb/EDSreportdetail.asp?RepNum=PER-2004-0209>.

Copies of the report may be obtained at the office’s web site at www.ncauditor.net. Printed copies of the report can be obtained by filing a request under the Audits section of the web site or by calling the Office of the State Auditor at 919-807-7500.

