

# Division of Emergency Management

## Audit Highlights



Highlights of Legislative Auditor report on the Division of Emergency Management, issued on January 17, 2002. Report # LA02-20.

### Purpose of Audit

The purpose of this audit was to evaluate the Division's financial management practices. The audit included a review of the Division's financial activities for the year ended June 30, 2001.

### Audit Recommendations

This audit report contained five recommendations to improve the Division's financial management practices. Specifically, the Division should conduct an annual inventory of assets and reconcile inventory records to those maintained by the Purchasing Division. In addition, the Division should update equipment use agreements periodically. Furthermore, overtime should be approved in writing in accordance with Division policy and compensatory time balances should be monitored to ensure employees do not exceed the limits established by personnel regulations. Finally, the Division needs to develop and adopt regulations for the Emergency Assistance Account.

The Division accepted all five audit recommendations.

### Status of Recommendations

The Department of Administration submitted the six-month report on the status of audit recommendations on October 15, 2002. The report indicated one recommendation had been fully implemented and four recommendations had been partially implemented.

At the December 11, 2002 Audit Subcommittee meeting the Division indicated that two recommendations had now been completed. In addition, the two recommendations related to controlling assets would be completed in January 2003, and the regulations for the Emergency Assistance Account were expected to be formally adopted in the near future. The Legislative Auditor is monitoring the Division's progress on these recommendations.

## Department of Public Safety

### Results in Brief

The Division needs to improve its financial management practices to ensure proper accountability of state resources. For instance, poor controls over assets have contributed to thousands of dollars in missing equipment. In addition, most overtime worked by Division employees was not properly approved and employee overtime balances were not monitored. These problems occurred because the Division did not follow state laws and regulations and its policies and procedures for controlling these areas. Furthermore, the Division has not developed and adopted regulations for administering the state's Emergency Assistance Account.

### Principal Findings

Poor controls over the Division's assets contributed to lost or misplaced equipment. The Division was not able to locate 5 of 25 assets we selected to review. These missing items cost more than \$7,000. In addition, the Division reported 23 other assets, costing almost \$33,000, have been missing for several years. Inventory problems occurred because the Division did not follow its policies and procedures and state laws for safeguarding assets.

The Division did not follow its overtime approval policy for most overtime it paid during fiscal year 2001. Division policy requires overtime be requested in writing and approved prior to being worked. However, the Division could not provide documentation showing the approval for \$24,288 of \$28,060 in overtime paid. One employee accounted for most overtime worked and received overtime pay of \$23,400.

The Division allowed two employees to accumulate and maintain compensatory time balances over 120 hours without an agreement required by personnel regulations. In May 2001, compensatory time balances for these employees were 206 and 141 hours. Allowing employees to accrue excess compensatory time creates a liability to the State that must be resolved by payment or time off.

Since 1999, Nevada law has required the Division to establish regulations for the state's Emergency Assistance Account. However, the Division has yet to develop and adopt regulations. This account provides money to help local governments pay for disaster related expenses. These expenses totaled about \$647,000 during fiscal years 2000 and 2001. Regulations are needed to help the Division carry out statutory requirements, ensure local governments are treated consistently regarding financial assistance and reporting, and provide assurance that activities meet the Legislature's intent.