OFFICE OF THE SUFFOLK COUNTY COMPTROLLER

Suffolk County Department of Fire, Rescue and Emergency Services' Procurement Procedures

For the Period: July 1, 2012 through June 30, 2015

Report 2015-07 **Date Issued: June 12, 2019**

John M. Kennedy, Jr.

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EXECUTIVE SUMMARY

Introduction:

The Suffolk County Comptroller's Office has reviewed the procurement procedures of the Suffolk County Department of Fire, Rescue & Emergency Services (Department) for the period July 1, 2012 through June 30, 2015.

Objectives:

The objective of our review of the Department's procurement procedures was to determine if expenditures charged to New York State Division of Homeland Security and Emergency Services (NYSDHSES)1 grant funded programs were proper program costs in accordance with grant requirements and to determine if the Department complied with applicable contract provisions, laws and regulations.

Summary of Significant Findings:

- The Department's failure to conclude the Request for Proposal (RFP) process resulted in the Department overpaying $198,200 of tax payer dollars for updating the Suffolk County Multi-Jurisdictional Multi-Hazard Mitigation Plan (Hazard Mitigation Plan) (p. 6).

- There were numerous instances in which the Department charged salaries/overtime to the incorrect grant (p. 7).

- The Department purchased the CBRNE (Chemical, Biological, Radiological, Nuclear, and Explosives) SeaDoo Search and Rescue Watercraft before receiving the required approval from the U.S. Department of Homeland Security – Federal Emergency Management Agency (FEMA) (p. 7).

- The Department did not always receive prior approval from the Environmental and Historic Preservation (EHP) as required by the Department's contract with NYSDHSES (p. 7).

- The Department underreported Urban Area Security Initiative (UASI) 10 payroll and overtime by $131,731 ($131,001 payroll and $730 overtime) in Suffolk County's Integrated Financial Management System (IFMS) (p. 8).

- The Department could not provide a fully completed internal Purchase Requisition form for all twenty-four [twelve State Homeland Security Program (SHSP) 10 and twelve UASI 10] expenditures tested (p. 8).

- The Department did not submit 32 of the 42 (76%) quarterly progress reports to NYSDHSES in a timely manner (p. 8).

1 For a complete list of acronyms contained in this report, please see Glossary, (p. 11).

- Three of the nine (33%) SHSP 10 equipment transactions totaling $286,089 were not included on the Department's inventory list as required by the Department's contract with NYSDHSES (p. 9).

Summary of Significant Recommendations:

- The Department should ensure that it complies with the requirements of the County's Procurement Policy to ensure fair and open competition, guard against favoritism, improvidence, extravagance, fraud and corruption; ensure that the results of procurement meet the County's needs; and protect the interests of the County and its taxpayers. All RFPs should be opened and considered and awards must be made in accordance with a rational, predetermined process. Furthermore, if the Department decides to use an existing contract to provide similar services, the services should be performed by the contractor and subcontractors originally identified in the RFP which led to the contract award. If a new RFP results in favorable pricing to the County, the Department should attempt to negotiate the favorable terms with its current contractor.

- The Department should ensure payroll and overtime expenditures are claimed to the applicable grant.

- The Department should ensure that it receives written approval from the oversight agency (FEMA, NYSDHSES, etc.) prior to the purchase.

- The Department must receive written EHP approval prior to any purchase having the potential to impact EHP resources.

- The Department should ensure that the grant budget in IFMS matches the grant budget agreed upon with the oversight agency. In addition, the Department should charge expenditures to the correct grant appropriation in IFMS via journal voucher.

- The Department should ensure that an internal Purchase Requisition form is properly completed for all equipment purchases to ensure that the expenditures are approved by the Commissioner/Designee.

- The Department should ensure that quarterly progress reports are submitted to the oversight agency in accordance with the contract provisions.

- The Department should include all equipment on its inventory list and comply with its contractual obligations with NYSDHSES.

BACKGROUND

The Department is responsible for the preservation of life and protection of property from fire, the sustaining of life in medical emergencies, and the protection of public safety during natural and man-made disasters. The Department is comprised of five divisions:

- Administration
- Fire Marshal's Office
- Fire Rescue Communications Center
- Office of Emergency Management
- Emergency Support Services

In addition to these functional areas, the Department also has the responsibility for oversight and coordination of the operation and contractual responsibilities of the following:

- The Fire Extinguisher Licensing Board (FELB)
- The Suffolk County Fire Academy (SCFA)

The Department has multiple contracts with NYSDHSES in which federal funding is passed through to various Departmental programs from the US Department of Homeland Security (USDHS).

SCOPE, OBJECTIVES AND METHODOLOGY

The scope of this audit is Departmental expenditures charged to NYSDHSES grant funded programs during the period July 1, 2012 through June 30, 2015. In order to accomplish our audit objectives, we performed the following procedures:

- Reviewed relevant Suffolk County, New York State and Federal laws, Suffolk County Resolutions and Suffolk County Standard Operating Procedures (SOPs).

- Conducted interviews of Department personnel as deemed necessary to obtain an understanding of the Department's grant procurement procedures.

- Obtained a non-payroll expenditure report for grants which were judgmentally selected for testing [SHSP 10, UASI 10 and Pre-Disaster Mitigation (PDM) 12].

- Using the above non-payroll expenditure report we used auditor judgement to select a sample of transactions for SHSP 10, UASI 10 and PDM 12. In addition, a random sample was selected for SHSP 10 and UASI 10. Performed testing procedures deemed necessary in order to accomplish our audit objectives.

- Verified the Department submitted the required quarterly progress reports for SHSP 10, UASI 10 and PDM 12 to the NYSDHSES in a timely manner.

- Reconciled the UASI 10 and SHSP 10 payroll crystal reports to the Fiscal Cost Reports (FCR) submitted to the NYSDHSES.

- Judgmentally selected the only two payroll transactions from SHSP 10, the five largest payroll transactions from UASI 10 and one payroll transaction from UASI 10 for testing. Performed testing procedures deemed necessary in order to accomplish our audit objectives.

- Judgmentally selected the two largest overtime transactions and three additional transactions from UASI 10 for testing. Performed testing procedures deemed necessary in order to accomplish our audit objectives.

- Reviewed the Hazzard Mitigation Plan's RFP in order to determine if the Plan was awarded to the appropriate vendor at the most beneficial cost to the County.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgement, as it was not the intent to project results onto the entire population. Where applicable, information is presented concerning the value and/or relevant population size and the sample selected for examination.

AUDIT FINDINGS

The Department's failure to conclude the Request for Proposal (RFP) process resulted in the Department overpaying $198,200 of tax payer dollars for updating the Suffolk County Multi-Jurisdictional Multi-Hazard Mitigation Plan (Hazard Mitigation Plan). Universal Management Technology Solutions, Inc. (UMTS) was under contract with the Department; however, the Department went forward and did an advertised RFP for the development of an updated Hazard Mitigation Plan. Three proposals which detailed the estimated cost of services were received, but the County Executive's Office instructed Central Purchasing not to open and distribute the RFP proposals to the evaluation committee.

Although the County could have used the UMTS contract, the Department went through the process of seeking approval to initiate an RFP from the County Executive's Office, preparing the RFP document, advertising the RFP document and receiving the RFP proposals. Only after the proposals were received was a decision made to use the existing contract with UMTS. Audit & Control's evaluation of the three RFPs which were received, but not opened, revealed that the project of updating the Hazard Mitigation Plan should have been awarded to Witt O'Brien's who was the subcontractor originally identified to do the work in UMTS's RFP proposal. The Department's failure to conclude the RFP process resulted in the Hazard Mitigation Plan update being assigned to UMTS which subcontracted the project to Tetra Tech, Inc. at an additional cost of $198,200 to the County. Tetra Tech's total project cost of $398,950[2] exceeded their own cost proposal of $393,571 by $5,379, and Witt O'Brien's cost proposal for this project was $200,750 or $198,200 less than what was paid by the County.

Furthermore, Audit & Control finds it highly questionable that UMTS was allowed to change subcontractors. The RFP for Disaster Management, Recovery and Consulting Services Oversight and Management of Debris Removal and Grant Management (RFP No. 12043) in which UMTS was awarded the original contract required all sub-contractors to be identified in the proposal and the subcontractors were required to submit the following information: General Information/Proposer History, Qualifications and Experience of Personnel, Financial Viability, Client History, References and Conflict of Interest and/or Potential Conflicts of Interest. The RFP also required that services to be subcontracted be clearly defined in the proposal. UMTS clearly defined Witt O'Brien as the subcontractor for the Hazard Mitigation Plan and submitted all the required documentation for Witt O'Brien. UMTS and its numerous other subcontractors were evaluated and awarded the contract for RFP 12043 based on the merits of the entire proposal which Tetra Tech was not part of.

The County's procurement policy was developed to guard against favoritism and ensure that procurements were open, fair, and competitive. Allowing UMTS to change subcontractors questions the validity and fairness of the contract award to UMTS.

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2 NYSDHSES fully reimbursed the County for the Hazard Mitigation Plan.

There were numerous instances in which the Department charged salaries/overtime to the incorrect grant. Our audit testing revealed the following:

- One employee's salary was incorrectly charged to SHSP 10 for thirteen pay-periods as the employee's Time and Accrual Records show the employee worked on SHSP 09 and SHSP 11 during these periods.

- One employee's salary was incorrectly charged to UASI 10 for five pay-periods as the employee's Time and Accrual Records did not provide any evidence that the employee worked on this grant during the pay periods claimed.

- One employee's overtime was incorrectly charged to UASI 10 for three days as the employee's Time and Accrual Records show the employee worked on UASI 11 during these periods.

When salaries/overtime is not charged to the proper grant, there is an increased risk that grant expenditures will not be properly reported and the claims to the grantor could be disallowed resulting in the loss of revenue to the County.

The Department purchased the CBRNE (Chemical, Biological, Radiological, Nuclear, and Explosives) SeaDoo Search and Rescue Watercraft before receiving the required approval from the U.S. Department of Homeland Security – Federal Emergency Management Agency (FEMA). The SeaDoo Search and Rescue Watercraft was ordered on September 25, 2014 and a payment voucher for $31,649 was submitted by the Department on December 19, 2014; however, the Department did not receive the required prior written approval for the purchase from the USDHS - FEMA until July 17, 2015.

When equipment is purchased before the required written approval is received from the granting agency, there is an increased risk that the purchase will not be approved and reimbursed by the grantor.

The Department did not always receive prior approval from the Environmental and Historic Preservation (EHP) as required by the Department's contract with NYSDHSES. The Department's contract with the NYSDHSES specifically states, "Grantees shall not undertake any project having the potential to impact EHP[3] resources without the prior approval of FEMA." However, our audit testing revealed that the Department did not receive prior EHP approval for five of the twenty-four (21%) (three SHSP 10 and two UASI 10) expenditures tested.

When equipment is purchased before the required written approval is received from the granting agency, there is an increased risk that the purchase will not be approved and reimbursed by the grantor.

3 EHP is part of FEMA.

The Department underreported Urban Area Security Initiative (UASI) 10 payroll and overtime by $131,731 ($131,001 payroll and $730 overtime) in Suffolk County's Integrated Financial Management System (IFMS). The underreporting was mainly attributed to the Department not preparing a journal voucher accrual (JVA) to reclassify $112,174 in grant related payroll expenditures and $730 in grant related overtime expenditures from the general grant appropriation to the specific UASI 10 grant appropriation. In addition, $18,827 was not expended from the UASI 10 appropriation because the Department stated that they were over budget for the grant; however, the Department was not over budget as evidenced by Federal and State Aid claiming these expenditures to the grant.

The Department could not provide a fully completed internal Purchase Requisition form for all twenty-four (100%) [twelve (SHSP) 10 and twelve UASI 10] expenditures tested. The Department's internal control procedures require that a Purchase Requisition form be completed and signed by the Commissioner/Designee for all equipment purchases; however, the Department circumvented their own internal control procedures as the required Purchase Requisition form was not properly completed for all 24 transactions tested.

When a Purchase Requisition form is not competed and signed by the Commissioner/Designee for all equipment purchases, there is an increased risk that unauthorized purchases will be made.

The Department did not submit 32 of the 42 (76%) quarterly progress reports to NYSDHSES in a timely manner. The Department's contract with the NYSDHSES specifically states, "Progress reports will be due within 30 days of the last day of each calendar quarter." However, our audit testing revealed the following:

- 15 of the 17 (88%) SHSP 10 quarterly progress reports were not submitted to the NYSDHSES within 30 days of the last day of the calendar quarter, and nine of the fifteen were submitted more than a year after the due date.

- 15 of the 17 (88%) UASI 10 quarterly progress reports were not submitted to the NYSDHSES within 30 days of the last day of the calendar quarter, and nine of the fifteen were submitted more than a year after the due date.

- Two of the eight (25%) PDM 12 quarterly progress reports were not submitted to the NYSDHSES within 30 days of the last day of the calendar quarter.

Three of the nine (33%) SHSP 10 equipment transactions totaling $286,089 were not included on the Department's inventory list as required by the Department's contract with NYSDHSES. The Department's contract with the NYSDHSES specifically states, "Property records or equipment inventory reports must be maintained, by award, that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property." However, our audit testing

revealed that the Department did not include the rapid deployment kits ($124,988), video equipment ($110,173) and radiation monitoring equipment ($50,928) on the inventory list.

When equipment is not properly included on the Department's inventory list, there is an increased opportunity for loss or theft of the asset.

RECOMMENDATIONS

- The Department should ensure that it complies with the requirements of the County's Procurement Policy to ensure fair and open competition, guard against favoritism, improvidence, extravagance, fraud and corruption; ensure that the results of procurement meet the County's needs; and protect the interests of the County and its taxpayers. All RFPs should be opened and considered and awards must be made in accordance with a rational, predetermined process. Furthermore, if the Department decides to use an existing contract to provide similar services, the services should be performed by the contractor and subcontractors originally identified in the RFP which led to the contract award. If a new RFP results in favorable pricing to the County, the Department should attempt to negotiate the favorable terms with its current contractor.

- The Department should ensure payroll and overtime expenditures are claimed to the applicable grant.

- The Department should ensure that it receives written approval from the oversight agency (FEMA, NYSDHSES, etc.) prior to the purchase.

- The Department must receive written EHP approval prior to any purchase having the potential to impact EHP resources**.**

- The Department should ensure that the grant budget in IFMS matches the grant budget agreed upon with the oversight agency. In addition, the Department should charge expenditures to the correct grant appropriation in IFMS via journal voucher.

- The Department should ensure that an internal Purchase Requisition form is properly completed for all equipment purchases to ensure that the expenditures are approved by the Commissioner/Designee.

- The Department should ensure that quarterly progress reports are submitted to the oversight agency in accordance with the contract provisions.

- The Department should include all equipment on its inventory list and comply with the provisions contained in its contract with NYSDHSES.

- The Department should ensure that adequate documentation (vendor invoice, packing slip, etc.) is maintained for all purchases.

- The Department must affix a decal stating "Purchased with Funds Provided by Department of Homeland Security" to all equipment purchased with NYSDHSES funds. When circumstances dictate that a sticker cannot be affixed to the equipment, the sticker should be attached to the invoice and NYSDHSES should be made aware of the situation.

GLOSSARY:

Term	Definition
"CBRNE"	Chemical, Biological, Radiological, Nuclear and Explosives
"EHP"	Environmental Planning and Historic Preservation
"FCR"	Fiscal Cost Report
"FELB"	Fire Extinguisher Licensing Board
"FEMA"	Federal Emergency Management Agency
"IFMS"	Integrated Financial Management System
"NYSDHSES"	New York State Division of Homeland Security and Emergency Services
"PDM"	Pre-Disaster Mitigation
"RFP"	Request for Proposal
"SCFA"	Suffolk County Fire Academy
"SHSP"	State Homeland Security Program
"UASI"	Urban Area Security Initiative
"UMTS"	Universal Management Technology Solutions, Inc.
"USDHS"	United States Department of Homeland Security

APPENDICES

APPENDIX A

COUNTY OF SUFFOLK

Dr. Donald G. Lynch
Chief Fire Marshal

Edward C. Schneyer
Director Of Emergency Preparedness

Steven Bellone
County Executive

John G. Jordan Sr.
Commissioner

Gregory C. Miniutti
Chief of Communications

Joel Vetter
Chief of Fire Rescue Services

DEPARTMENT OF FIRE, RESCUE AND EMERGENCY SERVICES

April 30, 2019

Mr. Frank Bayer, CPA
Executive Director of Auditing Services
Office of the Suffolk County Comptroller
H. Lee Dennison Bldg.
Hauppauge NY 11788

Dear Mr. Bayer:

Please find below responses to the findings/recommendations contained in a draft audit of a procurement process undertaken in the wake of Superstorm Sandy **conducted in 2015** by your Audit and Control staff. It's been nearly four years since your office conducted this analysis and therefore given this draft report's delayed release and lack of specifics it has been difficult to respond to. The Department has however endeavored to provide the information and responses to the best of its ability. As noted below, Fire, Rescue and Emergency Services (FRES) had already taken significant steps to improve its administration of all Homeland Security Grants prior to the receipt of the draft report.

It is disappointing that audit staff did not seek an interview with the FRES Executive Office during the conduct of this audit. Had auditors taken the time to interview department management, the draft report may not have included a number of the misleading, incorrect and incomplete conclusions.

Additionally, although the draft report references the role of the County Executive's Office in the decision to use UMTS to complete the Hazard Mitigation Plan (HMP), no effort or outreach was undertaken to obtain explanatory information from that office.

For some reason, the draft report either overlooks or ignores the Department of Audit and Control's own records which demonstrate your Department's role in consultation with FRES and the Office of County Attorney as decisions were made regarding the request for proposal (RFP)– including the rationale for use of the selected vendor - to which your office did not object.

Address:
102 East Avenue
Yaphank, New York 11980

Commissioner's Office: (631) 852-4850
Fire Marshal's Office: (631) 852-4855
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Comm. Center (24-Hour): (631) 852-4815
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The Department's failure to conclude the Request for Proposal (RFP) process resulted in the Department overpaying $198,200 of tax payer dollars for updating the Suffolk County Multi-Jurisdictional Multi-Hazard Mitigation Plan (Hazard Mitigation Plan).

This finding is inaccurate. As the Comptroller's Office is well aware, cost is only one of several factors that are considered when choosing a contractor pursuant to an RFP. There is absolutely no basis for the conclusion that a lower cost proposal would have been selected. Had the RFP process been pursued and concluded, TetraTech would likely have been selected based on experience and expertise. The decision to award this work under the existing contract rather than continuing with the new procurement was a joint decision resulting from extensive consultation with the County Attorney, FRES, the County Executive's Office **and Audit and Control**.

TetraTech, the subcontractor which completed the work, was well known as an expert in the field of hazard mitigation planning. The **existing** Suffolk County HMP had been co-authored by TetraTech. Further, TetraTech was already under contract with the Town of Southampton and others. These relationships with other municipalities in the region positioned the company to expedite some of the work necessary.

Any questions concerning the procurement process must be discussed with the expressed understanding that completion of the HMP was part of the County's overall response to Superstorm Sandy. Simply put, the storm was unprecedented in scope and force, and its impact on the lives of residents is still being felt almost seven years later.

Ongoing, active tasks required of the County for Superstorm Sandy response included County-wide damage assessment, cleanup operations and myriad filings for reimbursements under the Stafford Act. Completion of the HMP was necessary to ensure that residents could take advantage of programs to provide assistance during recovery from the storm.

The Audit concludes that the existing contract with UMTS was valid, and we concur. In addition, the contract included a provision providing that "... the contractor may add and/or replace subcontractors as necessary..." ;(paragraph 23, sub-paragraph b). Furthermore, the development of a comprehensive HMP was one of the approved services UMTS was authorized to provide pursuant to the contract (Article 1, paragraph 4 subparagraph dii).

Using the existing contract allowed the County to begin work months sooner than if it had proceeded under the alternative procurement process. The RFP responses would have had to be reviewed, discussed and graded by an RFP evaluation committee. Once a vendor was selected, a contract would have to have been negotiated. This task alone could have taken several months. The benefit of using the existing contract was to obviate the need for this time-consuming process. Given the time constraints involved, it would have been imprudent not to have utilized the existing contract.

Importantly, the plan was successfully completed on time justifying the decision to utilize the existing contract. Payment was authorized by Audit and Control. The cost was fully reimbursed to the County by FEMA. The HMP was subsequently adopted unanimously by the Suffolk County Legislature (*IR-1537-14)*.

The Comptroller, then a Suffolk County Legislator, voted to approve the resolution for the plan and stated during the June 12, 2014 meeting of the Public Safety Committee, "Madam Chair, just a word on the motion. I want to take the opportunity to thank the

folks from FRES. I see (FRES staff is here,) they worked tirelessly on this. But for this grant, we would not have been able to do quite a bit of the work that we've done with groundwater flooding up in my area. So it certainly has made quite a difference and I appreciate the efforts."

There were numerous instances in which the department charged salaries/overtime to the incorrect Grant.

The Department disagrees with this finding. Salaries/Overtime were not charged to the incorrect Grant.

The Department and the Federal and State Aid Claims Unit charged the appropriate Grant program based on the available Grant Budget and the allowable expenses outlined in the Contract and Program Guidance.

Employee timesheets are not utilized to determine how the claims are prepared. They are considered backup documentation that can be used to support the financial information contained in the claim.

The Department payroll administrator prepares quarterly grant salary reports for the purpose of preparing the financial information for the claim. The quarterly grant salary reports are used to calculate expenses for salaries and fringe benefits for grant funded personnel. These reports are submitted to the Federal and State Aid Claims Unit and are included with the quarterly claims that are submitted to New York State DHSES.

FRES has taken the necessary steps to ensure that all supporting documentation accurately matches the claim information submitted to New York State DHSES. Starting with the FY14 SHSP and FY14 UASI, the Department has maintained all Grant expenditures and supporting documentation in the Grants Management System (GMS). The implementation and utilization of GMS and the Time and Activity System have drastically improved the management of funds and claiming procedures for all of Fire Rescue's Homeland Security Grants. FRES began to use the Time and Activity System in April of 2016 (timesheet period: 3/28/16-4/24/16) to track all regular work hours, overtime, and hours on leave. All employees (excluding Communications) are required to enter their regular work hours, overtime, and hours on leave into the system.

One employee's salary was incorrectly charged to SHSP 10 for thirteen pay-periods as the employee's Time and Accrual Records show the employee worked on SHSP 09 and SHSP 11 during these periods.

In the absence of a more detailed draft audit report including information that supports this statement, the Department cannot review and address this specific aspect of the finding.

One employee's salary was incorrectly charged to UASI 10 for five pay-periods as the employee's Time and Accrual Records did not provide any evidence that the employee worked on this grant during the pay periods claimed.

In the absence of a more detailed draft audit report including information that supports this statement, the Department cannot review and address this specific aspect of the finding.

One employee's overtime was incorrectly charged to UASI 10 for three days as the employee's Time and Accrual Records show the employee worked on UASI 11 during these periods.

In the absence of a more detailed draft audit report including information that supports this statement, the Department cannot review and address this specific aspect of the finding.

The Department purchased the CBRNE (Chemical, Biological, Radiological, Nuclear, and Explosives) SeaDoo Search and Rescue Watercraft before receiving the required approval from the U.S. Department of Homeland Security - Federal Emergency Management Agency (FEMA).

The Department agrees with this finding but offers the following information regarding FEMA approval of the purchase:

The County did not include the Search and Rescue Watercraft in the UASI FY13 2Q15 claim until the required approval was received from NYS DHSES and FEMA. The Department received written approval from FEMA for the purchase of the Watercraft on July 17, 2015 and NYS DHSES approval to modify the UASI13 Grant on 8/5/15. The equipment was included on the 2Q15 Claim for UASI FY13 that was submitted to NYS DHSES on August 28, 2015. The Department has taken the necessary steps to ensure that it receives prior approval for future Watercraft equipment purchases.

The Department did not always receive prior approval from the Environmental and Historic Preservation (EHP) as required by the Department's contract with NYS DHSES.

The Department agrees with this finding but offers the following information regarding EHP approvals:

All of the expenditures tested had EHP approvals, although some approvals were not received prior to the start of the project. The Department has since established procedures to ensure that requisitions are not submitted into IFMS until prior approval is received from FEMA through NYS DHSES.

The Department underreported Urban Area Security Initiative (UASI) 10 payroll and overtime by $131,731 ($131,001 payroll and $730 overtime) in Suffolk County's Integrated Financial Management System (IFMS).

The Department agrees with this finding but offers the following information regarding the reporting of UASI payroll and overtime in IFMS:

The Department claimed personnel expenses (salary and overtime) in the UASI FY10 Grant, but was unable to complete corresponding journal vouchers to reclassify the expenses in IFMS. The Department was dealing with an unprecedented series of events arising from Superstorm Sandy and was unable to prepare and submit the journal vouchers within the required timeline.

The Department has since adopted procedures to ensure that journal vouchers are completed in a timely manner, regardless of unforeseen circumstances, and that the amounts claimed in the Grant match the amounts reclassified in IFMS.

The use of GMS and FRES' close working relationship with the Federal and State Aid Claims Unit helps to ensure that journal vouchers to reclassify payroll expenses match the claim amounts submitted to NYS DHSES.

The Department could not provide a fully completed internal Purchase Requisition form for all twenty-four (100%) [twelve (SHSP10) and twelve (UASI10)] expenditures tested.

In the absence of a more detailed draft audit report including information that supports this statement, the Department cannot review and address these specific expenditures.

To improve departmental workflow and budgetary tracking, FRES started using an internal requisition form and implemented new procedures on 5/20/14. The Department has procedures in place to ensure that requisition forms are completed and signed by the Commissioner or his designee prior to all purchases.

In addition, starting with the FY14 SHSP and FY14 UASI, the Department has maintained all Grant expenditures and supporting documentation in the Grants Management System (GMS).

The Department did not submit 32 of the 42 (76%) quarterly progress reports to NYS DHSES in a timely manner.

The Department agrees with this finding but offers the following information regarding the submission of quarterly progress reports:

FRES had identified and corrected this issue prior to the start of the Audit in 2015. The Department adheres to NYS DHSES deadlines and submits all progress reports in a timely manner. FRES regularly utilizes the E-Grants system to submit progress reports and uploads required documentation. If extensions are necessary, the Department receives appropriate approval from our NYS DHSES Program Representatives.

Three of the nine (33%) SHSP10 equipment transactions totaling $286,089 were not included on the Department's inventory list as required by the Department's contract with NYS DHSES.

The Department disagrees with this finding. Although the Department's Inventory Report did not include all of the required fields, (e.g. source of funding) all three of the equipment transactions were listed on the inventory spreadsheet with FRES inventory tags. None of these items required County control tags as they were under the $5000 threshold.

The Department is continuing to take the necessary measures to ensure that all Grant purchases are properly recorded in the Department's inventory list with all of the required information and that a Homeland Security sticker has been affixed to the

equipment. Furthermore, on an annual basis, division supervisors review and sign off on all inventory records and ensure that AC-103 forms have been submitted.

Recommendations

The Department should ensure that it complies with the requirements of the County's Procurement Policy to ensure fair and open competition, guard against favoritism, improvidence, extravagance, fraud and corruption; ensure that the results of procurement meet the County's needs; and protect the interests of the County and its taxpayers. All RFPs should be opened and considered and awards must be made in accordance with a rational, predetermined process. Furthermore, if the Department decides to use an existing contract to provide similar services, the services should be performed by the contractor and subcontractors originally identified in the RFP which led to the contract award. If a new RFP results in favorable pricing to the County, the Department should attempt to negotiate the favorable terms with its current contractor.

Contrary to the implication of this recommendation, the Department does ensure that it complies with the requirements of the County's Procurement Policy. The Procurement of services that are the subject of the draft report was completed under a valid contract, as noted in the report itself.

The Department should ensure payroll and overtime expenditures are claimed to the applicable grant.

The Department always ensures that all payroll and overtime expenditures are claimed to the applicable grant.

The Department and the Federal and State Aid Claims Unit charge the appropriate Grant program based on the available Grant Budget and the allowable expenses outlined in the Contract and Program Guidance.

The Department should ensure that it receives written approval from the oversight agency (FEMA, NYSDHSES, etc.) prior to the purchase.

The Department has taken the necessary steps to ensure that it receives prior approval for future equipment purchases when required. Starting with the FY14 SHSP and FY14 UASI, the Department has maintained all Grant expenditures and supporting documentation in the Grants Management System (GMS).

The Department must receive written EHP approval prior to any purchase having the potential to impact EHP resources.

Since 5/20/14, FRES has used an internal requisition form to ensure that requisitions are not submitted into IFMS until prior approval is received from FEMA through NYS DHSES. The Department has procedures in place to ensure that requisition forms are completed and signed by the Commissioner or his designee prior to all purchases. In addition, starting with the FY14 SHSP and FY14 UASI, the Department has maintained all Grant expenditures and supporting documentation in the Grants Management System (GMS).

The Department should ensure that the grant budget in IFMS matches the grant budget agreed upon with the oversight agency. In addition, the Department should charge expenditures to the correct grant appropriation in IFMS via journal voucher.

Since Superstorm Sandy and the influx of federal dollars, FRES has worked to constantly improve quality control processes and procedures.

The Department has adopted procedures to ensure that journal vouchers are completed in a timely manner, regardless of unforeseen circumstances, and that the amounts claimed in the Grant match the amounts reclassified in IFMS.

Starting with the FY14 SHSP and FY14 UASI, the Department has maintained all Grant expenditures and supporting documentation in the Grants Management System (GMS). The use of GMS and FRES' close working relationship with the Federal and State Aid Claims Unit helps to ensure that journal vouchers to reclassify payroll expenses match the claim amounts submitted to NYS DHSES.

The Department should ensure that an internal Purchase Requisition form is properly completed for all equipment purchases to ensure that the expenditures are approved by the Commissioner/Designee.

The Department had identified and corrected this issue prior to the start of the audit in 2015. FRES started using an internal requisition form and implemented new procedures on 5/20/14. The Department has procedures in place to ensure that requisition forms are completed and signed by the Commissioner or his designee prior to all purchases.

The Department should ensure that quarterly progress reports are submitted to the oversight agency in accordance with the contract provisions.

The Department had identified and corrected this issue prior to the start of the Audit in 2015. The Department adheres to NYS DHSES deadlines and submits all progress reports in a timely manner. FRES regularly utilizes the E-Grants system to submit progress reports and uploads required documentation. If extensions are necessary, the Department receives appropriate approval from our NYS DHSES Program Representatives.

The Department should include all equipment on its inventory list and comply with the provisions contained in its contract with NYSDHSES.

The Department has revised its inventory spreadsheet to include all of the fields (e.g. source of funding) that are required by NYS DHSES. FRES is continuing to take the necessary measures to ensure that all Grant purchases are properly recorded in the Department's inventory list with all of the required information.

The Department should ensure that adequate documentation (vendor invoice, packing slip, etc.) is maintained for all purchases.

The Department makes every effort to ensure that it maintains adequate documentation (vendor invoice, packing slip, etc.) for all purchases.

When packing slips are not available, the invoice is signed off by the appropriate staff member or division supervisor.

The Department must affix a decal stating "Purchased with Funds Provided by Department of Homeland Security" to all equipment purchased with NYSDHSES funds. When circumstances dictate that a sticker cannot be affixed to the equipment, the sticker should be attached to the invoice and NYSDHSES should be made aware of the situation.

The Department continues to ensure that a Homeland Security sticker has been affixed to all equipment purchased with NYS DHSES funds.

Sincerely,

John G. Jordan Sr.
Commissioner
Suffolk County Fire Rescue Emergency Services

APPENDIX B

Comptroller Office's Comments on the Department's Response

Auditee: Suffolk County Department of Fire, Rescue and Emergency Services

The Department submitted a written response to the audit report (Appendix A, p. 13). Our assessment of the Department's response is as follows:

We acknowledge that the issuance of the draft report took longer than originally anticipated. The Comptroller's Office temporarily suspended its efforts while the District Attorney's Office reviewed alleged time and attendance irregularities within the Department. Lastly, within a timeframe comparable to this audit, NYSDHSES conducted a monitoring visit of the Department's grants which commenced in April 2016 and concluded in February 2019 with its final report.

The draft audit report, to which the Department is responding, contains preliminary findings which are subject to change. Although an exit conference with the Commissioner of the Department was not conducted, the Department had sufficient opportunity to request workpapers and other documentary evidence and discuss the findings in the draft report. If the Department had provided compelling evidence that countered any of the findings listed herein, we would have modified the report accordingly. That, however, was not the case.

Finding 1:

The Department's failure to conclude the Request for Proposal (RFP) process resulted in the Department overpaying $198,200 of tax payer dollars for updating the Suffolk County Multi-Jurisdictional Multi-Hazard Mitigation Plan (Hazard Mitigation Plan).

Department's Response:

The Department contends in its response that the finding is inaccurate as cost is only one of several factors considered when choosing a contractor pursuant to an RFP. The Department also asserts that using the existing contract allowed the County to begin work months sooner than if it had proceeded under the alternative procurement process.

Comptroller's Response:

The Comptroller's Office disagrees with the Department's contention that the finding is inaccurate.

The Department initially contracted with Universal Management Technology Solutions, Inc. (UMTS) in April 2013 for the period March 15, 2013 through December 31, 2013 with the option of four one-year extensions through December 31, 2017 for disaster management, recovery and consulting services. The contract identified Witt O'Brien, who is a nationally renowned firm with expertise in the field of hazard mitigation and disaster recovery. As a subcontractor, Witt O'Brien submitted all required documentation and was evaluated as part of

the RFP process. Tetra Tech was not a subcontractor on the original contract, did not submit the subcontractor documentation required under the original RFP and was never evaluated. Therefore, it is quite possible that UTMS may not have won the original RFP and been awarded the subsequent contract if Witt O'Brien was not included as the subcontractor on the original contract.

On September 17, 2013, the Department submitted an amended contract to the Appropriations Unit of Audit & Control; however, the contract was not executed by both the County Executive's Office and County Attorney's Office and included Tetra Tech as a subcontractor. The contract amendment was rightfully denied by Comptroller's Office since it was not executed by the County Executive and reviewed and approved by the County Attorney's Office. Furthermore, the Comptroller's Office questioned the validity of the amended contract because Tetra Tech was not a subcontractor on the original contract and did not submit the subcontractor documentation required under the original RFP. The County Attorney's Office asserted subcontractors may be changed on contracts; however, most contracts are not evaluated on the credentials of both the contractor and subcontractors as this contract was and the change of the subcontractor in this case materially affected the contract. By allowing a contractor to substitute a subcontractor that was part of a prior RFP evaluation process calls into question the validity of the original contract award.

The Department asserts in its response that time constraints did not allow for the RFP process and contract negotiation. If this was the case, the Department should have never initiated the RFP process, but should have used the contract they negotiated with the vetted subcontractor (Witt O'Brien). In addition, if time of completion was a factor, it could have been a factor included in the RFP.

The Department's failure to proceed with the RFP prevented the independent selection committee from having had the opportunity to review the proposals of both Witt O'Brien and Tetra Tech. Although the independent selection committee may have selected Tetra Tech as the contractor, it is in the best interest of taxpayers and is customary for the County to ask proposers to give best and final offers if other qualified proposers had given a lower cost proposal.

Although cost is only one of several factors that are considered when choosing a contractor pursuant to an RFP, the Department did not follow through with the RFP process and did not grade the proposal to ensure the award was given to the proper contractor.

No modification of the audit report for this finding is warranted.

Finding 2:

There were numerous instances in which the Department charged salaries/overtime to the incorrect grant.

Department's Response:

The Department disagrees with this finding and contends in its response that salaries/overtime was not charged to the incorrect grant. The Department claims that employee timesheets are not

utilized to determine how the claims are prepared and are considered backup documentation that can be used to support the financial information contained in the claim. In addition, the Department asserts that it could not review and address the specific aspect of the finding without more detail.

Comptroller's Response:

The Comptroller's Office disagrees with the Department's contention that salaries / overtime were charged to the proper grant. Employee Time and Accrual Records indicate which grant the employee is working on for each day (Exhibit A, p. 26); however, employees were claimed to a different grant than the one identified on the Time and Accrual Record.

The Department was initially given two weeks to respond to the draft audit report and was then granted an additional two week extension upon written request from the Department's Senior Grants Analyst. During that timeframe the Department never requested any additional documentation or work papers supporting the audit finding which could have helped them in formulating their response.

No modification of the audit report for this finding is warranted.

Finding 3:

The Department purchased the CBRNE (Chemical, Biological, Radiological, Nuclear, and Explosives) SeaDoo Search and Rescue Watercraft before receiving the required approval from the U.S. Department of Homeland Security – Federal Emergency Management Agency (FEMA).

Department's Response:

The Department concurs with this finding and stated in its response that it has taken the necessary steps to ensure that it receives prior approval for future Watercraft equipment purchases.

Comptroller's Response:

The Comptroller's Office is pleased that the Department has taken corrective action regarding this finding. No modification of the audit report for this finding is warranted.

Finding 4:

The Department did not always receive prior approval from the Environmental and Historic Preservation (EHP) as required by the Department's contract with NYSDHSES.

Department's Response:

The Department concurs with this finding and stated in its response that it has established procedures to ensure that requisitions are not submitted into IMFS until prior approval is received from FEMA through the NYS DHSES.

Comptroller's Response:

The Comptroller's Office is pleased that the Department has taken corrective action regarding this finding. No modification of the audit report for this finding is warranted.

Finding 5:

The Department underreported Urban Area Security Initiative (UASI) 10 payroll and overtime by $131,731 ($131,001 payroll and $730 overtime) in Suffolk County's Integrated Financial Management System (IFMS).

Department's Response:

The Department concurs with this finding and stated in its response that it has adopted procedures to ensure that journal vouchers are completed in a timely manner and that the amounts claimed in the grant match the amounts reclassified in IFMS.

Comptroller's Response:

The Comptroller's Office is pleased that the Department has taken corrective action regarding this finding. No modification of the audit report for this finding is warranted.

Finding 6:

The Department could not provide a fully completed internal Purchase Requisition form for all twenty-four (100%) [twelve (SHSP) 10 and twelve UASI 10] expenditures tested.

Department's Response:

The Department stated it its response that it could not review and address these specific expenditures because it needed more details.

Comptroller's Response:

The Department was initially given two weeks to respond to the draft audit report and was then granted an additional two week extension upon written request from the Department's Senior Grants Analyst. During that timeframe the Department never requested any additional documentation or work papers supporting the audit finding which could have helped them in formulating their response.

No modification of the audit report for this finding is warranted.

Finding 7:

The Department did not submit 32 of the 42 (76%) quarterly progress reports to NYSDHSES in a timely manner.

Department's Response:

The Department agrees with this finding and stated that it corrected this issue in 2015.

Comptroller's Response:

The Comptroller's Office is pleased that the Department corrected this issue. No modification of the audit report for this finding is warranted.

Finding 8:

Three of the nine (33%) SHSP 10 equipment transactions totaling $286,089 were not included on the Department's inventory list as required by the Department's contract with NYSDHSES.

Department's Response:

The Department contends in its response that all three of the equipment transactions were listed on the inventory spreadsheet and stated that it is taking the necessary measures to ensure that all grant purchases are properly recorded on the Department's inventory list.

Comptroller's Response:

The Department is incorrect in its contention that all three of the equipment transactions (rapid deployment kits, video equipment and radiation monitoring equipment) totaling $286,089 were listed on the inventory spreadsheet as they were not included on the inventory spreadsheet provided to the auditors by the Department's Administrator I.

No modification of the audit report for this finding is warranted.

We are pleased that the department had taken steps to correct many of the findings contained in this report and the NYSDHSES report. It is important that the Department complies with all federal and state requirements as they pertain to the applicable grants. As indicated in the NYSDHSES report, a failure to comply with federal procurement guidelines may result in sanctions and/or disallowed costs.

We extend our gratitude to the personnel at the department for their considerations during the audit.

EXHIBIT A

[redacted]

COUNTY OF SUFFOLK
TIME & ACCRUAL RECORD

FRES FORM 157 (9/06)

56-011_7/99fw

Department: FRES		Budget Code: 01-3416	
...ne of Employee: [redacted]	Soc. Sec. Number: [redacted]	Seniority Date: 7/24/2006	Work Week Hours: 35

SHIFT 8:30a - 4:30p		HOURS WORKED					HOURS ON LEAVE						PAY PERIODS 8/19 to 9/1 // 9/2 to 9/15
YEAR 2013	DATE	NORMAL	S/T COMP	S/T PAY	COMP OT	PAID OT	VACA-TION	SICK	PERS-ONAL	S/T COMP	COMP-TIME	OTHER	REMARKS
Mon	8/19	7.00											SHSP'11
Tues	8/20	7.00											SHSP'11
Wed	8/21	7.00											SHSP'11
Thu	8/22	7.00											SHSP'11
Fri	8/23	7.00											SHSP'11
Sat	8/24												
Sun	8/25												
1st Week Subtotal		35.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35.00 Hrs
Mon	8/26	5.00						2.00					SHSP'11 Dr Dinow
Tues	8/27	7.00											SHSP'11
Wed	8/28	7.00											SHSP'11
Thu	8/29	7.00											SHSP'11
Fri	8/30	7.00											SHSP'11
Sat	8/31												
Sun	9/1												
2nd Week Subtotal		33.00	0.00	0.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	35.00 Hrs
...n	9/2	0.00										7.00	SHSP'11 Holiday
...s	9/3	7.00											SHSP'11
Wed	9/4	7.00											SHSP'11
Thu	9/5	7.00											SHSP'11
Fri	9/6	7.00											SHSP'11
Sat	9/7												
Sun	9/8												
3rd Week Subtotal		28.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.00	35.00 Hrs
Mon	9/9	7.00											SHSP'11
Tues	9/10	7.00											SHSP'11
Wed	9/11	5.00						2.00					SHSP'11 Dr Dem
Thu	9/12	7.00											SHSP'11
Fri	9/13	7.00											SHSP'11
Sat	9/14												
Sun	9/15												
4th Week Subtotal		33.00	0.00	0.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	35.00 Hrs
Four Week Totals		129.00	0.00	0.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	7.00	140.00 Hrs

ACCRUED LEAVE HOURS	VACA-TION	SICK	PERS-ONAL	S/T COMP	COMP-TIME	PAID Overtime	REMARKS
Balance at Beginning of Period	28.22	114.22	28.00	0.00	0.00	0.00	2009 Lag Hrs = 70.00 hours
Earned This Period	9.50	7.00		0.00	0.00		
Sub Total	37.72	121.22	28.00	0.00	0.00	S/T Paid	
...sed This Period	0.00	4.00	0.00	0.00	0.00		
...ance at End of Period	37.72	117.22	28.00	0.00	0.00	0.00	

The undersigned hereby certify, each for himself/herself, that the foregoing record of time worked and leave credits accrued and taken by the employee named above is correct.

[redacted]

[redacted]

Signature of Department Head's Designee