

Report Highlights

Disaster Emergency Fund

Department of Public Safety • Governor’s Office of State Planning and Budgeting
Performance Audit • December 2022 • 2163P



OFFICE OF THE STATE AUDITOR

C O L O R A D O

Key Conclusions

We did not identify any Disaster Emergency Fund expenses made by the Department of Public Safety (Department) or the Governor’s Office of State Planning and Budgeting (OSPB) that were not in compliance with statutory requirements or the relevant executive orders. We did find that the Department has taken an average of 24 months to close disasters after all spending and reimbursements have concluded and had not closed others as of the time of our audit, which means that any remaining funds allocated to those disasters has not been released for use on other disasters. We also found that OSPB’s quarterly reports on Disaster Emergency Fund expenses have contained reporting errors, incomplete information, and areas that could be improved to provide a comprehensive picture of disaster spending in the State.

Key Findings

- Of the 50 disasters that were completed between Fiscal Years 2018 and 2022, we found that:
 - For 33 disasters, the Department took an average of 24 months after spending and reimbursements had concluded for it to inform OSPB that these disasters were complete and the \$14.2 million in remaining funds could be unencumbered.
 - For 17 disasters, the Department had not informed OSPB that they were complete. As of September 2022, these disasters had been open between 13 and 57 months after the spending and reimbursements had concluded; these disasters had \$11.8 million that had been encumbered but not spent, and had not been released for use on other disasters.
- We found that OSPB’s Calendar Year 2021 quarterly Disaster Emergency Fund reports had errors in the encumbrance, unspent encumbrance, transfer, and expenditure amounts reported, and did not include complete information on transfers made for federal reimbursements.
- We identified four areas where OSPB should change the format of its quarterly reports to improve the usefulness and quality of the information for the General Assembly. These format changes include: 1) consistently reporting disaster expenses by the same name; 2) more explicitly distinguishing expenditures and transfers; 3) reporting ongoing expenditure totals by disaster; and 4) clearly distinguishing state and federal dollars.

Background

- The State’s Disaster Emergency Fund was created by the General Assembly in 1992 to help ensure that funds are available to meet disaster emergencies in the state. The Governor can make money available to state and local agencies from the Fund to help pay for disasters when the costs become too high.
- During Fiscal Years 2018 through 2022, the Governor declared 51 disaster emergencies in Colorado.
- The Department of Public Safety has two divisions responsible for administering and monitoring the use of Disaster Emergency Fund money—the Division of Homeland Security & Emergency Management and Division of Fire Prevention & Control. They are responsible for oversight of response and recovery efforts for disasters, which includes reimbursing local governments for their response and recovery efforts.

Recommendations Made

4

Responses

Agree: 4
Partially Agree: 0
Disagree: 0