

LBA Financial Audit Report Summary:

Governor's Office of Emergency Management Audit Report For the Nine Months Ended March 31, 1997

The Governor's Office of Emergency Management (OEM) was established in 1949 and is responsible for providing a plan for carrying out emergency functions in order to preserve the lives and property of the people of the State. Additionally, federal regulations require that the OEM be responsible for creating and maintaining radiological emergency response plans for the two nuclear generating facilities; Seabrook Station Nuclear Power Plant in Seabrook, New Hampshire and Vermont Yankee Nuclear Power Plant in Vernon, Vermont.

Our report included a total of nine observations; four internal control structure issues, four compliance issues (three federal and one state) and one management issue.

The internal control report contained one material weakness and three reportable conditions. The material weakness resulted in \$613,747 of cost charged to Seabrook Station and Vermont Yankee for the nine months ended March 31, 1997, being questioned as a result of an inadequate cost allocation plan or inadequate supporting documentation. We recommended that OEM work with the utilities and the Public Utilities Commission to resolve the questioned cost and implement an effective cost allocation plan. The three other reportable conditions related to; 1) inadequate segregation of duties, 2) untimely request for federal reimbursement, and 3) inadequate equipment records and late filing of equipment reports.

One material instance of noncompliance and three other compliance issues were noted in the report. The material noncompliance issue dealt with the OEM not having a system in place to appropriately allocate expenditures to its numerous federal programs resulting in \$409,070 of federal expenditures being questioned. The other noncompliance issues related to the inaccurate and late filing of federal reports, noncompliance with federal subrecipient monitoring requirements, and a part-time employee being reimbursed mileage while traveling from home to OEM in Concord.

The report also contained one management issue recommending that the OEM review its internal accounting system to determine which of its operations could be made more efficient and effective through the use of computer applications to eliminate a duplication of effort.