Audit of COVID-19 Response

Pandemic Preparedness Follow-Up Review

The City of Denton has generally updated its emergency response plans to incorporate pandemic-specific considerations like social distancing and teleworking. In addition, telework has formally become part of the City's standard business practices. Some specific teleworking considerations still need to be incorporated into the Business Continuity Plan.

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Follow-Up at a Glance

Why we did this Follow-Up:

This report is intended to provide information on what changes have been made in response to the Audit of COVID-19 Response: Pandemic Preparedness issued in September 2020. The original audit evaluated the City's plans, procedures, and controls related to pandemic response. This follow-up review was included on the City's fiscal year 2022-23 Annual Internal Audit Plan as approved by the City Council.

What we Found:

The City of Denton's Emergency Operations Manual and Pandemic Influenza Preparedness plan have been updated to include pandemic-specific considerations and a repository and tracking system for required National Incident Management System training has been developed. While, telework has formally become part of the City's standard business practices, some unique telework considerations still need to be incorporated into the Business Continuity Plan. The status of each recommendation is summarized below:

Recommendation	Mgmt. Response	Status
1. Review and update the City's Emergency Management Plan and the Pandemic Influenza Preparedness Plan to include specific guidelines for non-congregate sheltering and socially distant mass care during pandemics.	Concur	Implemented
2. Revise the Emergency Operations Center Manual to include procedures for activating and operating a socially distant emergency operations center during pandemics.	Concur	Implemented
3. Create and maintain appropriate records for operating and deactivating the Emergency Operations Center for the current COVID-19 Pandemic.	Concur	Alt. Solution
4. Update the EOC Manual to clarify which City staff are required to complete disaster management training, including how often and by when these training requirements should be complete.	Partially Concur	Implemented
5. Create a central repository for the required disaster management training certificates and centralize the responsibility for ensuring these trainings are completed appropriately.	Concur	Implemented
6. Document emergency operations exercises including who attended and what activities were tested.	Partially Concur	Implemented
7. Incorporate planning for telework during pandemics into the existing Business Continuity Plan.	Partially Concur	In Progress
8. Incorporate planning for virtual meeting activities during pandemics into the existing Business Continuity Plan.	Concur	Alt. Solution
9. Review and potentially update the City's Fund Balance Policy and Utilities Financial Strategies to account for the prolonged financial impacts cause by pandemics.	Concur	Implemented

Audit report translations may be requested by emailing InternalAudit@CityofDenton.com.

Introduction

The Internal Audit Department is responsible for providing: (a) an independent appraisal[1] of City operations to ensure policies and procedures are in place and complied with, inclusive of purchasing and contracting; (b) information that is accurate and reliable; (c) assurance that assets are properly recorded and safeguarded; (d) assurance that risks are identified and minimized; and (e) assurance that resources are used economically and efficiently and that the City's objectives are being achieved.

The Internal Audit Department has completed a follow-up review of the Audit of COVID-19 Response: Pandemic Preparedness issued in September 2020. We conducted this 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Management Responsibility

City management is responsible for ensuring that resources are managed properly and used in compliance with laws and regulations; programs are achieving their objectives; and services are being provided efficiently, effectively, and economically.

Audit Objectives, Scope, and Methodology

This report is intended to provide a progress update on recommendations from the Audit of COVID-19 Response: Pandemic Preparedness (September 2021), which evaluated the City's pandemic readiness to provide assurance that adequate plans, procedures, and controls were established to respond to pandemics.

Audit fieldwork was conducted during March and April 2023. The scope of review varied depending on the procedure being performed. The following list summarizes major procedures performed during this time:

➢ Reviewed documentation from the issued audit to develop criteria including industry standards, best practices, policies, and procedures;

➢ Interviewed Emergency Management Division and Finance, Technology Services, and Communications & Market Departments staff;

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[1] The City of Denton's Internal Audit Department is considered structurally independent as defined by generally accepted government auditing standard 3.56.

➢ Reviewed updates to the Pandemic Influenza Preparedness Plan and the Emergency Operations Manual;

➢ Observed emergency operations center documentation from recent events; and

➢ Reviewed documentation of emergency operations exercises and required National Incident Management System training certification and tracking.

Background

According to the World Health Organization, a pandemic is the worldwide spread of a new disease. On Jan. 30, 2020, the World Health Organization declared an outbreak of a novel coronavirus – commonly known as COVID-19. On March 11, 2020, the COVID-19 outbreak was declared a pandemic. Just two days later, the United States President declared the COVID-19 Pandemic a national emergency. The City of Denton's Mayor issued a Local Disaster ordinance that same day.

The City's Disaster Declaration was issued with the intention to reduce or stop the spread of COVID-19 and to mitigate the economic impact of the COVID-19 Pandemic in the City of Denton. The City of Denton's Disaster Declaration expired on Jun. 30, 2021.

Recommendation Status Update

This report summarizes the Audit of COVID-19 Response: Pandemic Preparedness' recommendations, management responses, and the Internal Audit Department's follow-up findings, which describe to what extent City management has implemented Internal Audit's recommendations since the publication of the original report in September 2020.

Emergency Management Planning Activities Adequately Consider Pandemics

1. **Review and update the City's Emergency Management Plan and the Pandemic Influenza Preparedness Plan to include specific guidelines or non-congregate sheltering and socially distant mass care during pandemics.**

   Management Response: Concur
   Fire Department Comments: The Fire Department is planning on having an outside consultant evaluate the entire Emergency Management Program by the end of the calendar year. Once the evaluation is complete, we will have the proper language to insert for this item. The expected completion is 03/01/2021.

   Audit Follow-Up Finding: Implemented
   While the update Emergency Operations Manual has not yet been fully implemented, the Pandemic Influenza Preparedness Plan now includes an Isolation/Quarantine Algorithm graphic and a non-congregated approach to sheltering plan.

Standard EOC Procedures may be Insufficient for Pandemics

2. **Revise the Emergency Operations Center Manual to include procedures for activating and operating a socially distant emergency operations center during pandemics.**
   Management Response: Concur
   Fire Department Comments: The Fire Department is planning on having an outside consultant evaluate the entire Emergency Management Program by the end of the calendar year. Once the evaluation is complete, we will have the proper language to insert for this item. The expected completion is 03/01/2021.

   Audit Follow-Up Finding: Implemented
   While the update Emergency Operations Manual has not yet been fully implemented, the Manual now includes procedures for activating and

operating a virtual Emergency Operations Center using the City's virtual communications platform.

3. **Create and maintain appropriate records for operating and deactivating the Emergency Operations Center for the current COVID-19 Pandemic.**
    Management Response: Concur
    <u>Fire Department Comments</u>: The Fire Department is planning on having an outside consultant evaluate the entire Emergency Management Program by the end of the calendar year. Once the evaluation is complete, we will have the proper language to insert for this item. The expected completion is 03/01/2021. During this evaluation period we will also be researching the best electronic software for emergency management functions so we can keep all of the files neatly sorted electronically. The Fire Department will also determine when the last virtual EOC meeting was with the former EMC around late April or early May. We will then document that the EOC operations for COVID were ended on that date.

    Audit Follow-Up Finding: Alt. Solution
    Due to transitions in the City's emergency management leadership during the COVID-19 Pandemic, records for deactivating the emergency operations center were not formally completed. That being said, a new Emergency Manager was hired in mid-2021. Since then, most Emergency Operations Center activities have been held using the City's virtual communications platform, which allows for these activities to be documented. In addition, for each event, the Emergency Manager has created, and distributed situation reports typically twice a day, indicating that effective documentation of Emergency Operations Center activities is now common practice.

Emergency Management Training Requirements are not Well Defined or Tracked

4. **Update the EOC Manual to clarify which City staff are required to complete disaster management training, including how often and by when these training requirements should be complete. The EOC manual should also delegate responsibility for communicating these training requirements to the necessary individuals.**

    Management Response: Partially Concur
    <u>Fire Department Comments</u>: We will be developing a matrix to better clarify which courses are required and by who. This item should be completed by the end of this calendar year. BC Lahart talked with the former EMC and he stated that they had a meeting this calendar year

with NIMS compliance members of most City departments that were responsible for their employees (some compliance members oversee a few departments). We still believe that the ultimate fix will be to house a copy of these certificates electronically so that the EM office can easily access the records. This can either be an EM type of software program or maybe some type of software that HR houses.

Audit Follow-Up Finding: Implemented
While the update Emergency Operations Manual has not yet been fully implemented, the Manual now specifies which National Incident Management System trainings staff that are involved in Emergency Operations Center activities are required to take. While it does not include how often these trainings must be completed, based on a review of industry standards, once a training is complete a refresher is not usually required.

5. **Create a central repository for the required disaster management training certificates and centralize the responsibility for ensuring these trainings are completed appropriately.**

    Management Response: Concur
    Fire Department Comments: We will establish a temporary repository for training certificates by the end of the calendar year. A permanent solution will occur when we can find and implement an Emergency Management Software Program.

    Audit Follow-Up Finding: Implemented
    A repository for National Incident Management System training certificates has been created on the City's network and the Emergency Manager appears to have created a tracking spreadsheet, indicating that this recommendation is implemented. That being said, based on review of the tracking spreadsheet, it has not been updated since Feb. 2022, and includes 14 employees who have separated from the City.

6. **Document disaster exercises including who attended and what emergency response activities were tested.**

    Management Response: Partially Concur
    Fire Department Comments: The exercises are well documented and meet all of the criteria set forth by the state. They also include sign-in sheets, etc. Unfortunately, they are currently all in paper form for the past 7 years. All of the folders are located in the filing cabinet in the Emergency Manager's Office. A better process will be investigated including an Emergency Management Software Program to manage these huge files ad better organize the contents. We are hoping to have a new software program to track several emergency management functions going forward.

Audit Follow-Up Finding: Implemented

Historically, disaster exercise documentation was only retained physically, making it difficult to review during the original audit. Since then, emergency operations exercises have been stored electronically on the Fire Department's network drives and appears to include documented exercises dating from 2001 to 2022.

Based on review of exercises held by the City of Denton's emergency management program between 2019 and 2022, all events generally had adequate documentation of attendance and content. An exercise has been planned for 2023 but had not yet been held when the follow-up review was conducted.

The Business Continuity Plan Needs to Include Planning for Pandemics

7. **Incorporate planning for telework during pandemics into the existing Business Continuity Plan. Teleworking resources should be prioritized based on critical and non-critical functions.**

Management Response: Partially Concur

Technology Services Comments: Technology Services partially concurs. Technology Services agrees that very specific and unusual department needs for remote work should be included in the business continuity plan (BCP). For example, providing Engineering access to their desktops to run applications too powerful for their laptops was outside of normal operations and should be included. Remote work technology (work from home) is considered a normal day to day technology function/service and not something utilized just in an emergency situation. For instance, we've always provided corporate Wi-Fi and corporate VPN prior to the pandemic. During the beginning stages of the pandemic, Technology Services was busier than normal, but did not provide services beyond normal operations. As a result, Technology Services did not activate the Technology Services BCP plan.

Audit Follow-Up Finding: In Progress

Since the original audit, the Business Continuity Plan has not been updated. Based on discussion with Technology Services and Fire Department staff, responsibility for periodically reviewing and updating the Business Continuity Plan transitioned from Technology Services to Emergency Management in April 2023.

In addition, telework has been formally incorporated into the City's regular course of business since the COVID-19 Pandemic, indicating that

only specialized teleworking needs should be included in the Business Continuity Plan when it is updated.

8.   **Incorporate planning for virtual meeting activities during pandemics into the existing Business Continuity Plan. Public Affairs should consult with Technology Services and the City Attorney's Office to ensure applicable state laws are considered when planning for virtual meetings.**

Management Response: Concur
Customer Service and Public Affairs (now Communications & Marketing) Comments: Customer Service and Public Affairs concurs with this recommendation. Virtual meeting protocols and guidelines will enable Technology Services, the City Attorney's Office, customer Service and Public Affairs, and the City Manager's Office to more rapidly and reliably consider and, pending Council approval, deploy virtual meetings in a future pandemic or disaster, if needed.

Audit Follow-Up Finding: Alternative Solution
Since the original audit, the Business Continuity Plan has not been updated; however, a system for virtual public meeting participation that meets Texas Open Meeting Act requirements as well as the City's needs and standards has been established. This system includes allowing for virtual participation for members of the City Council

Financial Reserves are Maintained for Unexpected Situations

9.   **Review and potentially update the City's Fund Balance Policy and Utilities Financial Strategies to account for the prolonged financial impacts caused by pandemics.**

Management Response: Concur
Finance Department Comments: The Finance Department concurs with this recommendation. The City currently has reserve targets for all the utility Funds, General Fund, and several of the Special Revenue Funds. In the coming months, the Finance Department well complete an in-depth fund balance analysis to determine if the City's reserve targets are sufficient to sustain a revenue shortfall, major infrastructure failures or prolonged financial impact (i.e. pandemic). This analysis will provide guidance regarding optimal reserve targets to minimize the financial impact to citizens and rate payers. Once completed, recommendations will be presented to the Public Utilities Board (PUB) and Council for consideration.

Audit Follow-Up Finding: Implemented

Since the original audit, the City has updated its Fund Balance Policy in response to Winter Storm Uri and the impacts of the COVID-19 Pandemic. These changes are summarized in Table 1:

Table 1: Fund Balance Policy Changes

Fund	2016 Policy	2021 Policy
Electric	8-12%	38-61%
Wastewater	20-31%	20-31%
Water	25-42%	25-42%
Solid Waste	6-10%	6-10%

Based on this the policy appears to have been updated only to significantly increase fund balance requirements for the Electric fund. The Electric fund is likely to have the most impact from a pandemic event as electric usage at commercial buildings would likely significantly decrease.