

# Spotlight

Department of Homeland Security



## Office of Inspector General

August 2014 OIG-14-125-D

### Why This Matters

The Office of Inspector General (OIG) serves as an independent body to deter, identify, and address fraud, abuse, mismanagement, and waste in the Department of Homeland Security (DHS) programs and operations. To this end, the OIG is responsible for conducting and supervising audits, investigations, and inspections relating to the programs and operations of DHS. The OIG examines, evaluates and, where necessary, critiques these operations and activities, recommending ways for DHS to carry out its responsibilities in the most effective, efficient, and economical manner possible.

### DHS Response

Within 90 days of the date of the grant audit report, Management should provide our office with a written response that includes their (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation.

## City of Flagstaff, Arizona, Generally Accounted for and Expended FEMA Grant Funds Properly, But FEMA Should Disallow \$124,443 and Deobligate \$57,941 of Public Assistance Grant Funds

### What We Determined

City of Flagstaff, Arizona (City), generally accounted for and expended FEMA grant funds properly, but FEMA should disallow \$124,443 and deobligate \$57,941 of Public Assistance (PA) grant funds, PA Identification Number 005-23620-00.

Our audit objective was to determine whether the City accounted for and expended FEMA's grant funds according to Federal regulations and FEMA guidelines.

The City generally accounted for and expended FEMA grant funds according to Federal regulations and FEMA guidelines. However, FEMA should disallow \$124,443 of ineligible costs for the design and construction of 14 retaining walls the City included in its claim for Project 12. This amount represents about 4 percent of the \$3,304,755 million the City claimed. Additionally, FEMA should deobligate \$57,941 that the City no longer needs to complete the project, and put those funds to better use.

### What We Recommend

We recommended that the FEMA Region IX Acting Administrator (1) disallow \$124,443 (Federal share \$93,332) of ineligible costs for construction of 14 retaining walls, and (2) deobligate \$57,941 (Federal share \$43,456) the City no longer needs, and put those funds to better use.

### For Further Information:

Contact our Office of Public Affairs at (202)254-4100, or email us at [DHS-OIG.OfficePublicAffairs@oig.dhs.gov](mailto:DHS-OIG.OfficePublicAffairs@oig.dhs.gov)