



DEPARTMENT OF HOMELAND SECURITY

Office of Inspector General
Atlanta Field Office – Audit Division
3003 Chamblee Tucker Rd
Atlanta, GA 30341

July 14, 2003

MEMORANDUM

TO: Kenneth O. Burris, Jr.
Regional Director, FEMA Region IV

FROM: *for* Gary J. Barard *P. David Kihle*
Field Office Director

SUBJECT: Hillsborough County, Florida
FEMA Disaster No. 1195-DR-FL
Audit Report No. DA-18-03

The Office of Inspector General (OIG) audited public assistance funds awarded to Hillsborough County, Florida. The objective of the audit was to determine whether the County accounted for and expended FEMA funds according to federal regulations and FEMA guidelines.

The County received an award of \$3.8 million from the Florida Department of Community Affairs, a FEMA grantee, for debris removal, emergency protective measures, and repair of roads and other facilities damaged as a result of severe storms and flooding on December 25, 1997. The award provided 75 percent FEMA funding for 19 large projects and 40 small projects¹. The audit covered the period December 1997 to February 2003. During this period the County claimed \$3,814,595 (see Exhibit) and received \$2,899,902 of FEMA funds.

The OIG performed the audit under the authority of the Inspector General Act of 1978, as amended, and according to generally accepted government auditing standards. The audit included tests of the County's accounting records, a judgmental sample of expenditures, and other procedures considered necessary under the circumstances.

¹ According to FEMA regulations, a large project costs more than \$47,100 and a small projects costs \$47,100 or less.

RESULTS OF AUDIT

Except for questioned costs of \$87,506 (FEMA share \$65,506), the County properly accounted for and expended FEMA funds. The questioned costs resulted from charges for permanent repairs to Federal-aid roads and unsupported and excessive equipment charges. Also, during the review, the OIG noted that the County was overpaid FEMA funds of \$39,472 due to an error made by the grantee. However, subsequent to completion of audit fieldwork, the County provided documentation that such overpayment had been returned to the grantee. Accordingly, the OIG considers the County's action sufficient to resolve this finding.

- A. Assistance on Federal-Aid Roads. Federal regulation (44 CFR 206.226) prohibits FEMA financial assistance when another federal agency has specific authority to restore facilities damaged or destroyed by the disaster. However, the County's claim under several projects included \$48,702 for permanent repairs to roads under the authority of the Federal Highway Administration. Accordingly, the OIG questions the \$48,702, as follows:

<u>Project Number</u>	<u>Amount Questioned</u>
49457	\$ 698
50143	1,130
49435	35,453
50141	<u>11,421</u>
Total	<u>\$48,702</u>

- B. Unsupported and Excessive Equipment Charges. The County's claim under Project 14061 contained \$38,804 of unsupported and excessive equipment charges for pumps used to remove floodwaters, as follows:

- The County claimed \$36,587 for use of County owned pumps. However, the County provided equipment usage records to support only \$2,123 of these charges. The remaining \$34,464 of charges claimed were supported by summary records indicating the equipment control number and total hours used during the disaster. Absent, however, were daily field reports, equipment usage logs, or other equivalent documentation showing the exact dates and times the pumps were in use. Consequently, the accuracy of the summary records could not be verified. Therefore, the OIG questions the \$34,464 of unsupported charges.
- The County claimed \$274,295 of costs associated with rental pumps. However, the County's actual cost was \$269,955. The remaining \$4,340 was for pumps put into use prior to the disaster (\$1,900) and costs not supported by rental invoices (\$2,440). Accordingly, the OIG questions the \$4,340.

C. Federal-Share Overpayment. The County was eligible to receive \$2,910,095 of FEMA funds under the disaster. However, the grantee inadvertently transmitted Federal payments totaling \$2,949,567, resulting in an overpayment of \$39,472. This matter was discussed with County and grantee officials during the audit, and subsequent to completion of fieldwork, the County provided the OIG with documentation indicating that such overpayment had been returned to the grantee. As a result of the County's action, the OIG considers this finding resolved. Accordingly, no further action is required.

RECOMMENDATION

The OIG recommends that the Regional Director, in coordination with the grantee, disallow the \$87,506 of questioned costs.

DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOW UP

The audit results were discussed with grantee officials on June 10, 2003, and with County officials on July 1, 2003. FEMA officials were notified of the audit results on July 7, 2003. County official concurred with the findings.

Please advise the Atlanta Field Office - Audit Division by August 13, 2003, of the actions taken to implement the OIG recommendation. Should you have any questions concerning this report, please contact me or David Kimble at (770) 220-5242.

Hillsborough County, Florida
FEMA Disaster No. 1195-DR-FL
Schedule of Claimed and Questioned Costs

Large Projects

<u>Project Number</u>	<u>Amount Awarded</u>	<u>Amount Claimed</u>	<u>Amount Questioned</u>
14064	\$ 68,532	\$ 68,532	
14019	418,805	418,805	
14061	369,455	369,455	\$38,804
14062	79,977	79,977	
14063	68,683	68,683	
14014	42,293	42,293	
14032	89,116	89,116	
27748	30,243	30,243	
27749	33,044	33,044	
49433	34,580	34,580	
49434	43,090	43,090	
49435	35,453	35,453	35,453
49436	169,796	169,796	
49437	30,646	30,646	
77262	13,269	13,269	
77263	7,606	7,606	
77264	51,759	51,759	
14065	62,478	62,478	
14018	<u>238,292</u>	<u>238,292</u>	
Sub-total	<u>\$1,887,116</u>	<u>\$1,887,116</u>	<u>\$74,257</u>

Small Projects

49457	\$ 191,669	\$ 191,669	\$ 698
50141	92,549	92,549	11,421
50143	<u>47,673</u>	<u>47,673</u>	<u>1,130</u>
	331,891	331,891	\$13,249
All other Projects (37)	<u>1,595,588</u>	<u>1,595,588</u>	<u>0</u>
Sub-total	<u>\$1,927,479</u>	<u>\$1,927,479</u>	<u>\$13,249</u>
Total	<u>\$3,814,595</u>	<u>\$3,814,595</u>	<u>\$87,506</u>