



DEPARTMENT OF HOMELAND SECURITY

Office of Inspector General
Denton Field Office - Audit Division
3900 Karina Street, Room 224
Denton, Texas 76208

April 24, 2003

MEMORANDUM

TO: Gary Jones, Acting Regional Director,
FEMA Region VI

FROM: Tonda L. Hadley, Field Office Director
Tonda L. Hadley

SUBJECT: Guadalupe-Blanco River Authority
Seguin, Texas
FEMA Disaster Number 1257-DR-TX
Public Assistance Identification Number 000-00169-00
Audit Report Number DD-03-03

The Office of Inspector General (OIG) audited public assistance funds awarded to the Guadalupe-Blanco River Authority (GBRA). The objective of the audit was to determine whether GBRA accounted for and expended FEMA funds according to federal regulations and FEMA guidelines.

GBRA received an award of \$4.58 million from the Texas Division of Emergency Management (TXDEM), a FEMA grantee, for damages resulting from severe storms, flooding, and tornadoes that occurred on October 17, 1998, through, November 15, 1998. The award provided 75 percent FEMA funding for 14 large projects and 38 small projects.¹ The audit covered the period October 17, 1998, to May 3, 2001, during which GBRA claimed \$4.58 million and TXDEM disbursed \$3.49 million in direct program costs. We examined the costs for seven large projects and two small projects totaling \$3.30 million, or 72 percent of the total award.

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 GBRA's accounting records, a judgmental sample of expenditures, and other auditing procedures considered necessary under the circumstances.

¹Federal regulations in effect at the time of the disaster defined a large project as one costing \$47,800 or more and a small project as one costing less than \$47,800.

RESULTS OF AUDIT

GBRA accounted for and expended FEMA funds according to federal regulations and FEMA guidelines. During the audit, the OIG noted that GBRA maintained very good records to support its claim and that TXDEM had performed a thorough, well-documented closeout review of the claim.

The OIG discussed the results of the audit with FEMA Region VI, TXDEM, and GBRA officials on March 26, 2003. Because this report contains no recommendations, it does not require a response. Should you have any questions concerning this report, please contact me at (940) 891-8900. Major contributors to this report were Rebecca Rodriguez and Daniel Ramsey.