

DEPARTMENT OF HOMELAND SECURITY
Office of Inspector General

**Grant Management: Wyoming's
Compliance With Disaster
Assistance Program's Requirements**



Audit Conducted By:
Cotton & Company LLP

Dallas Field Office
Office of Audits

DD-10-04

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U.S. Department of Homeland Security
Dallas Field Office, Office of Audits
3900 Karina Street, Room 224
Denton, Texas 76208



**Homeland
Security**

July 13, 2004

MEMORANDUM FOR: David I. Maurstad
Regional Director, FEMA Region VIII

Tonda L. Hadley

FROM: Tonda L. Hadley
Field Office Director

SUBJECT: *Grant Management: Wyoming's Compliance
With Disaster Assistance Program's Requirements*
Audit Report Number DD-10-04

This memorandum transmits the results of the subject audit performed by Cotton & Company LLP, an independent accounting firm under contract with the Office of Inspector General. In summary, Cotton & Company determined that Wyoming's Office of Homeland Security (OHS) could improve certain program and financial management procedures associated with the administration of disaster assistance funds.

On May 10, 2004, you responded to the draft audit report. The attached report includes your response, in its entirety, as Attachment C. Your comments are also paraphrased and presented after each finding in the report, along with additional comments from the auditors.

The actions described in your response were sufficient to resolve and close Recommendations A.3, A.6, B.7, B.8-1, and B.8-2. Your response did not adequately address the conditions cited for Recommendations A.1-1, A.1-3, A.2, A.4, A.5 and B.8-3. The actions described for Recommendation A.1-2 adequately addressed the condition cited, however, we cannot resolve the recommendation until we receive a target completion date for the planned action.

Please advise this office by October 12, 2004, of actions taken or planned to implement Recommendations A.1-1, A.1-3, A.2, A.4, A.5, and B.8-3. Any planned actions should include target completion dates. Please provide a target completion date for the planned action for Recommendation A.1-2.

We would like to thank your staff and the OHS staff for the courtesies extended to the auditors during their fieldwork. Should you have any questions concerning this report, please contact Paige Hamrick or me at (940) 891-8900.

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I. EXECUTIVE SUMMARY

Cotton & Company LLP audited administration of disaster assistance grant programs by the State of Wyoming, Office of Homeland Security (OHS). Audit objectives were to determine if OHS administered Federal Emergency Management Agency (FEMA) disaster grant programs according to federal regulations, properly accounted for and used FEMA program funds, and submitted accurate financial expenditure reports. This report focuses on OHS' systems and procedures for assuring that grant funds were managed, controlled, and expended in accordance with applicable laws and regulations, including the Robert T. Stafford Disaster Relief and Emergency Act and Title 44 of the *Code of Federal Regulations* (CFR).

We audited two major disasters declared by the President of the United States, as follows:

Disaster No.	Declaration Date	Programs Reviewed	Federal Share of Obligations	Federal Expenditures Claimed as of 3/31/03
1268	2/17/99	PA, HM	\$838,965	\$838,965
1351	12/13/00	PA, HM	814,802	767,125

We did not perform a financial audit of these costs. Accordingly, we do not express an opinion on costs claimed by OHS (Attachments A-1 and A-2). During our audit, we identified questioned costs (Attachment B). We did not perform statistical sampling and therefore did not project questioned costs to the full population of claimed costs.

Our audit scope (and therefore this audit report) focused on systems and procedures that OHS used to manage, control, and expend grant funds in accordance with applicable laws and regulations, including the Stafford Act and 44 CFR. We divided our findings into two sections: Program Management and Financial Management. Our recommendations for each finding, if implemented by OHS, would improve management, strengthen controls, or correct noncompliance.

Program Management

- Internal controls over PA and HM administrative plans and the mitigation plan were weak. The HM and PA administrative plans did not include all procedures required by 44 CFR. The PA administrative plans for the current disaster and Calendar Year 2003 were not included in state's overall emergency plan. Additionally, OHS' most recent hazard mitigation plan did not contain procedures to ensure that plans are updated annually, are updated to reflect changes requested by the region, and are submitted when due.
- OHS did not obtain certification letters from subgrantees regarding PA project completion and project cost allowability. Although required by the state administrative plan, OHS did not obtain certifications for any small projects and two large projects.
- OHS' subgrantee agreement for PA applicants did not contain all necessary information. This includes the applicant's requirements under the Single Audit Act and record-retention requirements.

- Internal controls over the submission of quarterly HM progress reports were weak. OHS did not submit all necessary quarterly HM progress reports under Disaster No. 1268; did not submit all progress reports for both disasters in a timely manner; and provided inaccurate information on the current reports.
- OHS did not ensure the allowability of HM project costs. OHS did not have policies or procedures to ensure that it reviewed costs for allowability before making payments or processing project closeouts.
- OHS did not obtain adequate approval for an HM project scope change. This resulted in a reduced project scope, but the amount of federal funding value remained the same.

Financial Management

- OHS did not have an adequate labor distribution system to support claimed labor costs for PA management grants. It did not support claimed labor costs by adequate timesheets or applicable effort certifications.
- OHS did not accurately prepare and submit Financial Status Reports (FSRs). OHS erroneously claimed the state-share portion of management grant costs as Federal expenditures, drew down these costs, and thus did not meet the required cost share for the project. OHS also submitted different FSRs for the same reporting periods.

We summarized FEMA regional office and OHS management comments in the body of this report and included additional auditor comments if necessary. Full comments from both are attached to this report (Attachment C). Regional office and OHS management generally agreed with findings and recommendations.

II. INTRODUCTION

The Stafford Act governs disasters declared by the President. Following a major disaster declaration, the Act authorizes FEMA to provide various forms of disaster relief to states under three major programs: PA, HM, and Individual Assistance (which contains the Individual and Family Grant program). Each program has separate objectives and regulations, as described in 44 CFR 206, *Federal disaster assistance for disasters declared on or after November 23, 1988*. On October 30, 2000, the President signed the Stafford Act Amendments into law (Public Law 106-390). These amendments are effective only for disasters declared after October 2000.

PA grants are awarded to state agencies, local governments, qualifying private nonprofit organizations, Indian tribes, or authorized tribal organizations for the repair and replacement of facilities, removal of debris, and establishment of emergency protective measures needed as the result of a disaster. To receive a PA grant, a designated representative of an organization affected by the disaster must submit a Request for Public Assistance. The request is sent to the grantee and to FEMA, which schedules an inspection of damaged facilities. The applicant or a joint inspection team (FEMA, state, and local representatives) prepares a Project Worksheet (PW), which identifies the eligible scope of work and estimated project costs. FEMA reviews and approves the PWs and obligates funds to the grantee. The cost-share arrangement of the disaster is specified by the FEMA-state agreement; for the two disasters in our scope, the state cost-share requirement was 25 percent.

The CFR requires classification of PA projects as either small or large. The classification is based on a project threshold amount adjusted annually to reflect changes in the Consumer Price Index (CPI) for all

Urban Consumers, as published by the U.S. Department of Labor. For example, the threshold for Disaster No. 1268 was \$47,800. Projects costing under \$47,800 were classified as small projects, and projects costing \$47,800 and higher were classified as large projects. The threshold for Disaster No. 1351 was \$50,600.

HM grants are awarded to states to help reduce the potential for damages from future disasters. The state (grantee) must submit a letter of intent to participate in the program, and subgrantees must submit a project proposal to the state. The grantee sets priorities for selecting projects and submits projects to FEMA for final approval. Subgrants are awarded to state agencies, local governments, qualifying private nonprofit agencies, and Indian tribes or authorized tribal organizations. The amount of assistance available under this program must not exceed 15 percent of the total assistance provided under other Stafford Act assistance programs for Disaster Nos. 1268 and 1351. The state cost-share requirement for both declared disasters in Wyoming, specified in the FEMA-state agreements, was 25 percent.

Administrative funds provided to the grantee under disasters could consist of three types of assistance to cover costs of overseeing the PA and HM grant programs. First, an administrative allowance could cover "extraordinary" costs directly associated with managing the programs, such as overtime wages and travel costs. This allowance was determined by using a statutorily mandated sliding scale with payments ranging from one-half to three percent of the total amount of federal disaster assistance provided to the grantee. Second, FEMA could award an administrative allowance referred to as "State Management Grants" on a discretionary basis to cover the state's ordinary or regular costs directly associated with program administration. Third, FEMA could award an administrative allowance for activities indirectly associated with program administration.

OHS, the grantee responsible for administering these programs, is part of the State of Wyoming. State appropriations and FEMA Emergency Management Performance Grants fund OHS' daily operations. Disasters are funded through FEMA cost-shared disaster grants. The state pays its share primarily by passing cost-share responsibilities to local applicants. OHS funds its cost-share requirements for management grants through local appropriations.

III. OBJECTIVES, SCOPE, AND METHODOLOGY

Our primary audit objective was to determine if OHS administered FEMA disaster grant programs according to federal regulations. Specifically, we reviewed all material aspects of the grant cycle, including:

- Administrative Plan
- Subgrantee Award Process
- Subgrantee Monitoring
- Project Completion
- Project Closeout
- Administrative Costs
- Cost-Share Requirements

To assess compliance and performance with grant management provisions, we selected and tested all PA and HM project files to determine if OHS administered projects within program guidelines. We included both open and closed projects in our review, but emphasized evaluation of OHS' current internal controls and procedures to identify current internal control system weaknesses or noncompliance issues. When developing findings and recommendations, we considered the views of the FEMA regional office and guidance from FEMA headquarters.

We also evaluated how OHS accounted for and used FEMA program funds to ensure that OHS had internal controls and procedures in place to account for program funds and safeguard federal assets. Finally, we reviewed OHS' financial reporting process to ensure that it submitted accurate financial expenditure reports. These two objectives included a review of overall internal controls of OHS, management oversight activities, and the financial management system used by OHS. During our testing of PA and HM projects, we tested expenditures incurred for allowability in accordance with applicable cost principles. We also selected several financial reports submitted by OHS and reconciled those reports to:

- Supporting accounting system used by the State of Wyoming
- OHS' Federal Cash Transaction Reports (FCTRs)
- FEMA databases (NEMIS)
- FEMA's accounting system (IFMIS)

Our review of financial reports also included reviewing OHS' system for allocating costs to disasters and programs, testing the accuracy of payments to subgrantees, determining the timeliness of financial reporting, and evaluating OHS' overall cash management (both the timing of funds drawn down from the SMARTLINK system and how OHS advances funds to subgrantees).

The scope of our audit consisted of disasters listed on page 1, which is all disasters declared and open as of September 30, 2002. The two major programs addressed in this audit were PA and HM grants. We conducted our audit in accordance with the FEMA *Consolidated Audit Guide for Grantee Audits of FEMA Disaster Programs*, provided by the Office of Inspector General (OIG). Our audit work included a site visit to the FEMA Region VIII office in Denver and audit fieldwork at OHS' offices in Cheyenne, Wyoming.

Our methodology included reviewing files at FEMA Region VIII, discussing OHS' administration and grant oversight with Region VIII personnel, and reviewing regional and OHS contract files, accounting records, and correspondence, including administrative and program plans. We also interviewed knowledgeable FEMA and OHS personnel. Our audit scope did not include interviews with OHS subgrantees, technical evaluation of the work performed, or assessment of repairs of disaster-caused damages.

The State of Wyoming receives an annual audit in accordance with Office of Management and Budget (OMB) Circular Number A-133. OHS is included in this state Single Audit. The auditors selected FEMA programs as major programs in Fiscal Years 2001 and 2002 and developed findings related to FEMA grants in each year. We reviewed these reports and supporting workpapers in Cheyenne to determine if these findings affected our audit scope or specific audit tests. Our goal was to determine if we could reduce testing based on work performed or possibly increase testing based on documented weak controls or lack of policies and procedures. We also reviewed these reports to gain an understanding of internal controls and identify weaknesses in internal controls.

We requested copies of any audit reports prepared by FEMA OIG conducted on OHS or its subgrantees. FEMA OIG noted that no audits had been performed in recent years. Additionally, we obtained audit reports performed on OHS subgrantees that were maintained by OHS. We reviewed these reports to determine if findings in subgrantee reports affect performance or internal controls at the grantee level.

We conducted the audit in accordance with *Government Auditing Standards*, as revised, as prescribed by the Comptroller General of the United States. We were not engaged to and did not perform a financial statement audit, the objective of which would be to express an opinion on specified elements, accounts, or items. Accordingly, we do not express an opinion on costs claimed for disasters under the scope of the

audit. If we had performed additional procedures or conducted an audit of financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported. This report relates only to accounts and items specified and does not extend to any financial statements of the State of Wyoming or OHS.

IV. FINDINGS AND RECOMMENDATIONS

This report summarizes audit results in two major sections: Program Management and Financial Management. These sections contain findings and related recommendations. Proper implementation of our recommendations will improve the overall administration of FEMA programs and correct the noncompliance situations noted during the audit.

A. Program Management

1. Internal controls over PA and HM administrative plans and the hazard mitigation plan were weak.

OHS' HM and PA administrative plans did not include all procedures required by 44 CFR, and the PA administrative plan for the current disaster as well as for Calendar Year 2003 were not included in the state's overall emergency plan. Finally, the hazard mitigation plan submitted for Disaster No. 1351 was not submitted in a timely manner.

Public Assistance. We reviewed OHS' administrative plans for the disasters in our audit scope. The most recent approved administrative plan (Disaster No. 1351) did not contain procedures required by 44 CFR 206.207(b), *state administrative plan*, as follows:

- Notifying potential applicants of program availability.
- Participating with FEMA in establishing hazard mitigation and insurance requirements.
- Complying with administrative requirements of 44 CFR Parts 13 (*Uniform administrative requirements for grants and cooperative agreements to state and local governments*) and 206.
- Determining staffing and budgeting requirements for program management.

In addition, the most current PA plan was not incorporated into the State Emergency Plan, as required by 44 CFR 206.207(b)(4).

OHS noted that none of the current PA staff members assisted in preparing or submitting the administrative plan for Disaster No. 1351. When staff members prepared and submitted the latest annual plan, they used the plan for Disaster No. 1351 as a model and only updated it for corrections. OHS did not compare that plan to CFR requirements. They considered the Disaster No. 1351 plan to have all necessary elements, because FEMA had previously approved it.

Hazard Mitigation. HM administrative plans for both disasters did not contain all required elements [44 CFR 206.437(b), *Minimum criteria*], as follows:

- Procedures to process requests for advances of funds and reimbursements.
- Procedures to comply with audit requirements of the Single Audit Act.
- Identification of the state hazard mitigation officer.

OHS' hazard mitigation plan did not contain methods to implement, monitor, evaluate, and update the mitigation plan on at least an annual basis, as required by 44 CFR 206.405(a), *Hazard mitigation plan, General*. The region provided guidance and requested changes on the Disaster No. 1268 plan; the state did not, however, incorporate changes requested by FEMA before submitting the later plan. OHS noted that it did not think it was wise to revise the plan for Disaster No. 1351, because the plan will be different under the new Disaster Mitigation Act of 2000, which they anticipated would be effective soon.

Finally, OHS submitted the Disaster No. 1351 hazard mitigation plan 357 days after the disaster declaration date without written justification or approval for extensions. According to 44 CFR 206.405(d), *Plan submission*, plans must be submitted within 180 days after the disaster declaration date.

Conclusions and Recommendations: Adequate administrative and mitigation plans are necessary so that all personnel handling disaster administration are aware of and can accomplish tasks according to the plans. OHS may fail to handle issues properly if administrative plans are outdated and do not contain all procedures to administer programs. Additionally, without adequate plans, FEMA cannot be certain that OHS is sufficiently prepared to administer these programs, and that stated policies and procedures will accomplish grant goals.

We recommend that the Regional Director ensure that OHS 1) revise its PA and HM administrative plans as well as its hazard mitigation plan to include procedures for all CFR-required elements, 2) incorporate the most recent administrative plans into the state emergency plan, and 3) revise procedures to complete hazard mitigation plans timely.

Management Response: OHS considers its PA administrative plans to follow the sample plan provided by FEMA on its web site, but agreed to incorporate references to CFR Parts 13 and 206 in future plans, as well as ensure that the PA plans are incorporated into the State Emergency Plan. OHS also stated that administrative plans are "fleshed out through the management plan at the time of an actual event." Regarding the HM administrative plan, OHS noted that it will make efforts in the future to submit plans in a timely manner and will update and submit an updated plan if a disaster is declared. FEMA Region VIII supports the State's position on these matters, stating that the purpose of an administrative plan "is to define what will be done, not how it will be done due to the varied nature of disasters."

Auditor's Comments: As noted in the body of the report, administrative plans should contain the procedures noted, not simply a reference to performing the action. Therefore, management's response is not sufficient to resolve the findings and recommendations.

OIG's Comments: The three recommendations in this finding remain unresolved. Regarding the first recommendation, the OIG disagrees with the Region on the purpose of an administrative plan. Federal regulations list specific procedures to be included in administrative plans to ensure the proper management and administration of PA and HM programs. A procedure is a detailed set of instructions on **how** to consistently accomplish a task. OHS cannot wait for a specific disaster or emergency to develop, document, and implement procedures. The purpose of procedures is to be prepared before an event occurs; and the purpose of an administrative plan is to provide FEMA assurance that a state is prepared. Further, the OIG considers the sample PA administrative plan on FEMA's website to be grossly inadequate to comply with applicable regulations. Therefore, the first recommendation cannot be resolved until the Region agrees to require OHS to revise its PA and HM administrative plans to include procedures for all CFR-required elements and provides a target completion date for the revisions.

The second recommendation cannot be resolved until the Region provides a target completion date for modifying the State Emergency Plan; and finally, the third recommendation cannot be resolved until the

Region agrees to require OHS to revise its procedures to complete hazard mitigation plans timely. These recommendations cannot be closed until the Region provides the OIG evidence that all actions have been completed.

2. OHS did not obtain certification letters from subgrantees regarding PA project completion and project cost allowability.

All small projects and two large projects (PW Nos. 600 and 700) did not have Project Completion and Certification Reports. These reports would include subgrantee certifications that (among other things) the project was completed, claimed costs were eligible and allowable, and files will be maintained in accordance with record-retention requirements. OHS' administrative plan required subgrantees to complete the certification for all large and small projects. Additionally, its subgrantee agreement (entered into for all large and small projects) required the subgrantee to complete the certification after project completion.

When requesting project closeout, OHS did not include all necessary information, as required by 44 CFR 206.205(b), *Payment of claims, Large projects*. OHS is required to make an accounting of each approved large project and certify that:

...reported costs were incurred in the performance of eligible work, that the approved work was completed, that the project is in compliance with the provisions of the FEMA-state agreement, and that payments for that project have been made in accordance with 44 CFR 13.21, *Payment*.

OHS could not explain why certifications for the two large projects were not in the files or why they did not obtain the certifications for small projects, because PA staff responsible for project management at that time are no longer at OHS.

Conclusions and Recommendations: Project Completion and Certification Reports are necessary to document that subgrantees complete projects within project guidelines, claim only allowable and eligible costs, and agree to retain necessary support and make project and accounting files available to federal or state agencies upon request.

We recommend that the Regional Director ensure that OHS follow existing policies and procedures to obtain all necessary certifications from subgrantees.

Management Response: OHS stated that it received certification letters for the two large projects and attached those letters to its response to the Region. OHS also stated that procedures "are in place and Wyoming does follow them. FEMA Region VIII concurred with OHS's response.

Auditor's Comments: We agree that procedures are in place, but OHS clearly did not follow them. The two certification letters attached to management's response are from OHS to FEMA. The letters referred to in the audit report are certifications from the subgrantee to OHS, as required by its administrative plan and subgrantee agreement. Additionally, management's response only addressed the two large projects; certifications are, however, required for all small projects as well. Therefore, this recommendation cannot be resolved until the Region provides a target completion date for OHS' implementation of existing policies and procedures or any change in procedures to assure that they obtain all necessary certifications from subgrantees. The recommendation cannot be closed until the Region VIII verifies that proper procedures are in place and implemented.

3. OHS' subgrantee agreement for PA applicants did not contain all necessary information.

OHS' subgrantee agreement did not include subgrantee requirements for OMB Circular A-133 audits under the Single Audit Act or requirements for adequate record retention. OHS used a subgrantee agreement for all PA projects (large and small) that must be signed before a subgrantee obtains project funds. OHS used this agreement process to ensure that all subgrantees were aware of the responsibilities associated with receiving federal funding.

OHS could not explain how the agreement was developed, because PA staff responsible for its development were no longer at OHS. Subgrantees are required to obtain audits under OMB Circular A-133 in accordance with 44 CFR 13.26, *Non-Federal audit*, and to adequately maintain supporting documentation in accordance with 44 CFR 13.42, *Retention and access requirements for records*.

Conclusions and Recommendations: Including Single Audit Act and other requirements in agreements assists in ensuring that subgrantees obtain necessary audits and maintain supporting documentation. It also assists grantees in monitoring subgrantees and ensuring that they are adequately performing under grant agreements. We recommend that the Regional Director ensure that OHS revise subgrantee agreements to address Single Audit Act requirements and document record-retention responsibilities.

Management Response: OHS stated that it has revised its subgrantee agreements to incorporate OMB Circular A-133 requirements and record retention requirements. FEMA Region VIII confirmed that OHS had made these changes to its subgrantee agreements.

Auditor's Comments: We were not provided a copy of the revised subgrantee agreement. However, because the Region confirmed that OHS had made the required changes, we consider this recommendation to be resolved and closed.

4. Internal controls over submission of quarterly HM progress reports were weak.

OHS did not submit all necessary quarterly HM progress reports under Disaster No. 1268, and it did not submit many progress reports for both Disaster Nos. 1268 and 1351 in a timely manner. Also, information contained in the most current reports was not accurate.

Under Disaster No. 1268, OHS submitted a separate progress report for each of the three HM projects. It gathered status reports from each subgrantee and forwarded them to the region. It did not obtain three of seven quarterly progress reports for Project No. 1R and one of two reports for Project No. 3R from the subgrantee, and therefore these reports were not submitted to the region, as required by 44 CFR 206.438(c), *Progress reports*. OHS is required to submit quarterly progress reports that indicate project status, completion date for each funded measure, and problems affecting completion dates, scope of work, or projects costs. Additionally, OHS submitted several quarterly reports late:

Project No.	No. of Reports Required	No. of Reports Submitted	No. of Reports Late	No. of Days Late
1R	7	4	1	9
2F	2	2	1	60
3R	2	1	1	74

Under Disaster No. 1351, which had three projects, OHS submitted one combined progress report containing information on all three projects each quarter. It submitted all 5 quarterly progress reports for these projects between 1 and 16 days late. 44 CFR 13.40 (d), *Non construction performance reports* require reports to be submitted 30 days after the reporting period.

Finally, we noted that the region requested that certain financial information be contained in progress reports, and it provided a sample spreadsheet. Financial information completed by OHS on that spreadsheet was inaccurate in areas such as: *Federal Share Obligated, Federal Share Disbursed, % Federal Share Disbursed, Subgrantee Admin Disbursed, Grantee Admin Disbursed, Completion Date/Completed*. OHS noted that the requested information was confusing, and that it did not realize that submitted information was inaccurate.

OHS noted that it has only one full-time HM staff member who has multiple responsibilities and those other responsibilities took precedence over progress reporting.

Conclusions and Recommendation: Timely, accurate and adequate progress reports on subgrantee projects is necessary to ensure the regional office is aware of actual project status and has information to make necessary approvals, obligations, and deobligations in a timely manner. We recommend that the Regional Director ensure that OHS strengthen reporting procedures so that quarterly progress reports are complete and submitted on time.

Management Response: OHS stated that it has made significant improvements in submitting reports in a timely manner in response to a March 2003 letter sent by FEMA Region VIII's Mitigation Division Director. The Region agrees that OHS has made significant improvements.

Auditor's Comments: The response does not address the recommendation because it does not identify revised procedures for submitting HMGP progress reports in a timely manner. Further, as stated in the finding, information in the most current reports was not accurate.

OIG's Comments: Per 44 CFR 206.437(4)(xi), the State's HMPG administrative plan must establish procedures to comply "with the administrative requirements of 44 CFR parts 13 and 206," which require submission of the quarterly progress reports (44 CFR 13.40(d) and 206.438(c)). Therefore, regardless of how much OHS has improved its submission of the required reports, it must develop, implement, and document in its HMGP administrative plans, procedures to ensure that the progress reports are consistently prepared properly and on time. Therefore, until the Region agrees to and ensures that OHS completes these actions, this recommendation cannot be resolved and closed.

5. OHS did not ensure the allowability of HM project costs.

OHS did not have procedures in place to ensure the allowability of project costs claimed by each subgrantee. Typically, grantees will require subgrantees to submit supporting documentation for project costs and review the documentation for allowability and completeness. However, grantees may also review required documentation during a subgrantee site visit, have reviews or audits done by third parties, or develop other means to ensure project costs are allowable. During our project file review, we noted that the subgrantee provided a summary of project expenses under Project No. 1268-1R and a large number of detailed invoices and other documentation. It did not, however, provide time-and-attendance records to assure that labor costs were incurred in accordance with OMB Circular A-87; thus, OHS could not review time-and-attendance records. Additionally, some supporting documentation included items such as "Master Card," but did not include purchase details. Finally, the subgrantee could not support \$730 of claimed matching costs under Project No. 1268-2F.

OHS representatives stated that they did not trace 100 percent of the summary schedules to supporting detail, because they believed that all detail was provided. They also noted that the subgrantee under Project No. 1268-2F incurred costs in excess of its required cost share; thus, the \$730 of unsupported costs was not needed. The project files, however, did not contain documentation (such as a memorandum to the file or a checklist) to indicate OHS reviewed costs.

Grantees are required to ensure that claimed costs are allowable in accordance with 44 CFR 13.22, *Allowable costs*, which states that allowable costs will be determined in accordance with the cost principles applicable to the organization incurring the costs, and identifies which cost circular is applicable for each type of subgrantee.

Conclusions and Recommendation: OHS did not have procedures in place to ensure that claimed project costs met applicable cost principle requirements. We recommend that the Regional Director ensure that OHS develop policies and procedures to determine cost allowability of project costs before making payment.

Management Response: OHS stated that it has instructed its program manager to review supporting documentation more closely and to document the review. FEMA Region VIII stated that the "Administrative Plan should address and describe the State's procedures" and that it will "encourage the State to have protocols for cost reviews and recommends that this be incorporated into their Administrative Plan."

Auditor's Comments: The region did not provide a revised administrative plan or review procedures; however if OHS and the Region take these actions, this finding will be adequately addressed.

OIG comments: The Region's response is too weak to resolve this recommendation. The Region cannot merely "encourage" or "recommend" that OHS follow federal regulations; it must **require** it. Therefore, to resolve this recommendation, the Region must provide a target completion date for OHS to develop and implement policies and procedures to determine cost allowability of project costs before making payments on HMPG projects. To close the recommendation, the Region must verify that the procedures are in place and effective.

6. OHS did not obtain adequate approval for an HM project scope change.

During our planning visit at the regional office, we noted that the project application for Project No. 1268-3R, FEMA's project database (NEMIS), and other correspondence in the project file discussed different project scopes involving land tracts. Regional representatives suggested that we review OHS' project files to determine how and why the project scope changed from the original application. During our review of OHS' project files, we noted the following:

Date	Item	Tracts Referenced
Not Dated	Original project application	A and B
Not Dated	State Application Report Work Schedule (NEMIS report)	A and B
10/25/99	Project Application Modification Request to replace Tract B with Tract C*	A and C
Not Dated	State Application Report Under Property Site Inventory (NEMIS report)	A and C

11/22/99	Subgrantee letter requesting funds reimbursement	A and C
03/22/00	FEMA Categorical Exclusion letter	A and C
08/09/00	Subgrantee closeout request letter	C
11/09/01	Final inspection report	C
12/10/01	Grantee letter to region noting change	C

* OHS did not respond to the subgrantee's request. Also, OHS and FEMA did not correspond regarding this matter.

A December 10, 2001, letter from OHS to Region VIII noted that this project was revised from Tracts A and B to just Tract C; the letter noted that the subgrantee requested this change, and that OHS had approved it. The only documentation of a scope change is the October 25, 1999, subgrantee change request that eliminated Tract B and added Tract C, leaving Tract A in the scope. This request change, however, was not submitted to FEMA. This letter also stated that FEMA was made aware of the scope change as evidenced by its Categorical Exclusion letter. That exclusion letter and the NEMIS report preceding it, however, indicate FEMA's understanding of the revised project scope to be Tracts A and C.

In accordance with 44 CFR 13.30 (d), *Programmatic changes*, grantees must obtain the prior approval of the awarding agency whenever there is a revision to the scope of the project, regardless of whether there is an associated budget revision. Additionally, 44 CFR 206.436, *Application procedures*, identifies location of the project as one item that must be included in the project application, and any change to that must be identified in project supplements. OHS believes that FEMA was aware of the revised project scope and further noted that the federal share of this project did not change from the originally approved amount.

Conclusions and Recommendation: Without written FEMA approval of changes, documentation does not exist to show a revised, reduced scope that may have required a federal cost reduction. We recommend that the Regional Director ensure that OHS obtain written approval for all future project scope changes before implementation.

Management Response: OHS stated that its State Hazard Mitigation Officer (SHMO) clearly recalls receiving the Region's verbal authorization for the scope change; and it will take greater care in the future to obtain written authorization. FEMA Region VIII stated that it "has since instituted a procedure to ensure that all changes to the approved scope of work be submitted and approved in writing."

Auditor's Comments: The actions described are adequate to resolve and close the recommendation.

B. Financial Management

7. OHS did not have an adequate labor distribution system to support claimed labor for PA management grants.

OHS incurred and reported \$7,204 of employee labor costs under the Disaster No. 1268 PA management grant, however there was not an adequate after-the-fact labor distribution system to support claimed costs. Employees record total hours worked on their monthly timesheets, however time spent on management grants was not consistently and adequately identified as follows:

- OHS did not consistently record time worked on disaster activity. It recorded disaster hours as "Additional Hours Worked" or "Night Shift."

- Employees performing work on both disasters did not segregate time per disaster on timesheets.
- For some employees, the PA officer would note disaster program hours worked by staff members on their timesheets after the employee completed the timesheet; the supervisor then signed off on the timesheet.
- Time charged by employees working solely on disaster activity was not supported by semi-annual certifications or activity reports that documented work being performed.

According to 44 CFR 13.22(b), *Applicable cost principles*, claimed costs must be allowable in accordance with applicable OMB costs principles. For state and local governments, OMB Circular A-87, Attachment B, II(h) (5), *Compensation for personnel services*, requires that labor charges to federal grants by employees who work on only one final cost objective be supported by semi-annual certifications. For employees working on more than one final cost objective (i.e., different disasters, training, or other activities) time must be supported by personnel activity reports that:

- Reflect an after-the-fact distribution of the actual activity of each employee.
- Account for the total activity for which each employee is compensated.
- Are prepared at least monthly and coincide with one or more pay periods.
- Are signed by the employee.

OHS noted that it was aware of the problem and did not claim employee labor costs under Disaster No. 1351, realizing that it did not have an adequate labor distribution system to support those costs incurred.

Conclusions and Recommendations: OHS claimed labor costs of \$7,204 under Disaster No. 1268, however, adequate supporting documentation was not available. We recommend that the Regional Director 1) instruct OHS to develop an adequate labor distribution system, and 2) disallow \$7,204 (federal share is \$5,403).

Management Response: OHS stated that it has revised its procedures for reporting time and effort. OHS also agreed that adequate support did not exist for time and effort claimed during Disaster No. 1268, but is confident that the costs do reflect the effort expended. FEMA Region VIII reviewed OHS's revised reporting system and determined that it was adequate to track labor distribution. The Region also analyzed the \$7,204 claimed under Disaster No. 1268 for labor costs and determined that the costs were reasonable for the effort expended.

Auditor's Comments: The actions described are adequate to resolve and close the recommendation.

8. OHS did not accurately report expenditures on the FSRs and erroneously drew down the state share of management grant costs.

OHS did not accurately report expenditures on quarterly Financial Status Reports (FSRs). They calculated the Recipient Share of Outlays by multiplying total Federal Expenditures (as accumulated in their accounting system) by one-third to arrive at the 25-percent cost-share requirement. This calculation was incorrect because:

- Both the grantee and subgrantee administrative allowance had no cost-share requirements. Therefore, OHS overstated the Recipient Share of Outlays and Total

Outlays by one-third of the administrative allowances claimed.

- OHS incorrectly reported all management grant expenditures incurred as Federal Expenditures. Therefore, it reported no Recipient Share of Outlays for any management grant expenditures. Management grant expenditures claimed under Disaster Nos. 1268 and 1351 totaled \$29,609 and \$8,187, respectively. Therefore, OHS reported excess federal expenditures of \$7,402 ($\$29,609 \times 25\%$) and \$2,047 ($\$8,187 \times 25\%$) under these disasters and drew down these funds from SMARTLINK. In accordance with 44 CFR 206.203 (b), *Cost sharing*, all projects approved under the state disaster assistance grants will be subject to the cost sharing provisions established in the FEMA-state agreement.

Per OHS, the staff that was responsible for completing the FSRs was unaware that management grants had cost-share requirements and accumulated these costs with costs incurred under the administrative allowance and reported them together on the FSR. During the closeout process for Disaster No. 1268, it was noted that the management grant expenditures must be reported separately from the administrative allowance, and costs were segregated in the accounting system, however it was still not realized that management grants had cost sharing requirements and, therefore, treated them like expenditures incurred under the administrative allowance. Disaster No. 1268 was financially reconciled and closed by FEMA on February 12, 2002 without corrections being made. OHS recently changed its accounting system to segregate the administrative allowance expenditures from other program outlays (that have cost-share requirements). OHS noted that it could make additional changes to also accurately report management grant expenditures.

Finally, we also noted that during the HM project closeout process, the SHMO prepared final FSRs and submitted them to FEMA Regional HM staff in addition to the quarterly FSRs submitted by the accounting staff. The information contained on these FSRs was as of the same reporting period as ones submitted by the accounting staff, but the amounts were different.

44 CFR 13.20 (b), *Standards for financial management systems*, require accurate, current and complete disclosure of the financial results of financially assisted activities in accordance with the financial reporting standards of the grant. Reporting standards of the grant are stated in 44 CFR 13.41, *Financial Reporting*, which require grantees to prepare and submit quarterly FSRs.

Conclusions and Recommendations: Accurately reporting federal and cost-share expenditures is important if the regional office is to have accurate financial information and disaster status and to ensure that OHS is meeting its cost-sharing requirements. OHS claimed \$9,449 ($\$7,402 + \$2,047$) of federal expenditures in excess of actual costs. Of this amount, \$7,402 was related to Disaster No. 1268, and \$2,047 was currently overdrawn costs under Disaster No. 1351. We recommend that the Regional Director 1) ensure that OHS revise procedures in preparing FSRs to accurately report expenditures and to identify management grant costs as both federal and state funded, 2) ensure that OHS draw down only the federal share of management grant costs, and 3) recover excess management grant costs received of \$9,449 ($\$7,402$ and $\$2,047$).

Management Response: OHS stated that it had corrected the \$2,047 mathematical error for Disaster No. 1351, but could not correct the error for Disaster No. 1268, because the disaster is closed. Additionally, OHS has revised its accounting procedures to adequately segregate administrative allowance expenditures from management grants. Finally, OHS thinks that a full review of Disaster No. 1268 matching costs would require too much time. Regarding the first and second recommendations, FEMA Region VIII assures that OHS's revised procedures "will adequately separate management costs from administrative costs to enable tracking and verification of the match requirements." Regarding the third recommendation, the Region verified that OHS corrected the \$2,047 error. However, the Region

disagrees that the \$7,402 should be recovered, stating that the total claimed management costs for Disaster No. 1268 did not exceed approved costs; and that the administrative allowance is statutory.

Auditor's Comments: The actions described are adequate to resolve and close the first and second recommendations regarding the internal control weakness identified in this finding and to resolve and close that portion of the third recommendation regarding the \$2,047 error for Disaster 1351. However, for Disaster 1268, the Region is incorrect in stating that the total claimed management costs did not exceed approved costs. Further, the statutory administrative allowance is not relevant to this issue because this finding discusses management costs, which are separate and distinct from those allowed under the statutory administrative allowance. Therefore, the third recommendation remains unresolved with regard to Disaster 1268.

OIG's Comments: The OIG discussed the unresolved portion of this finding with Region VIII officials subsequent to receiving the Region's written response. The Region agreed that OHS drew down \$7,402 more in state management costs than was obligated for that purpose. However, the Region contends that, at the time of closeout, \$7,482 of obligated statutory administrative allowance remained unclaimed (\$5,484 for the grantee plus \$1,998 for the subgrantee); and, therefore, it was acceptable to net the over funded state management costs against the under funded statutory administrative allowance. The OIG disagrees with the Region's position on this issue. According to 44 CFR 206.228(2) and (3), "state management administrative costs" are separate and distinct from "statutory administrative costs." Therefore, one cannot be arbitrarily allocated to the other. Accordingly, this recommendation cannot be resolved until Region VIII provides the target completion date to recover the \$7,402 in overdrawn management grant funds for Disaster 1268. Further, it cannot be closed until the Region provides evidence that it has recovered the funds.

**STATE OF WYOMING
OFFICE OF HOMELAND SECURITY
SCHEDULE OF SOURCES AND APPLICATIONS OF FUNDS UNDER DISASTER NO. 1268
AS OF MARCH 31, 2003**

Description	Funds Obligated (Awarded)	Funds (Drawdowns)	Funds (Expenditures)
Hazard Mitigation			
Federal Share (Note 1)	<u>\$120,352</u>	<u>\$120,352</u>	
Program Outlays, Including Subgrantee			
Administrative Allowance			\$207,521
Grantee Administrative Allowance			<u>3,340</u>
Total Applications of Funds			<u>\$210,861</u>
Public Assistance			
Federal Share (Note 1)	<u>\$718,613</u>	<u>\$718,613</u>	
Program Outlays, Including Subgrantee			
Administrative Allowance			\$921,345
Management Grants			29,609
Grantee Administrative Allowance			<u>7,197</u>
Total Applications of Funds			<u>\$958,151</u>

Note 1: OHS passed on all cost-sharing responsibilities to applicants. No state funds were obligated or used to fund this disaster.

**STATE OF WYOMING
OFFICE OF HOMELAND SECURITY
SCHEDULE OF SOURCES AND APPLICATIONS OF FUNDS UNDER DISASTER NO. 1351
AS OF MARCH 31, 2003**

Description	Funds Obligated (Awarded)	Sources of Funds (Drawdowns)	Applications of Funds (Expenditures)
Hazard Mitigation			
Federal Share (Note 1)	<u>\$104,956</u>	<u>\$48,726</u>	
Program Outlays, Including Subgrantee			
Administrative Allowance			\$111,361
Grantee Administrative Allowance			<u>134</u>
Total Applications of Funds			<u>\$111,495</u>
Public Assistance			
Federal Share (Note 1)	<u>\$709,846</u>	<u>\$683,470</u>	
Program Outlays, Including Subgrantee			
Administrative Allowance			\$899,175
Management Grants			8,186
Grantee Administrative Allowance			<u>903</u>
Total Applications of Funds			<u>\$908,264</u>

Note 1: OHS passed on all cost-sharing responsibilities to the applicants. No state funds were obligated or used to fund this disaster.

ATTACHMENT B

STATE OF WYOMING,
OFFICE OF HOMELAND SECURITY
SCHEDULE OF QUESTIONED COSTS UNDER
DISASTER NOS. 1268 AND 1351
AS OF MARCH 31, 2003

Disaster Number	Program	Reason for Questioned Costs	Questioned Costs
1268	PA	OHS claimed the state share portion of PA management grants. (Finding No. 8, page 12)	\$ 7,402
1351	PA	OHS claimed the state share portion of PA management grants. (Finding No. 8, page 12)	2,047
1268	PA	OHS did not have adequate documentation to support claimed labor charged under management grants. (Finding No. 7, page 11)**	<u>5,403</u>
Total Questioned Costs			<u>\$14,852</u>

** Unsupported claimed labor costs totaled \$7,204 in finding number 7; however, \$1,801 of that amount is also questioned as part of the \$7,402 questioned above (for the unmet state share). Therefore only \$5,403 is questioned here.

ATTACHMENT C

COMMENTS FROM FEMA REGIONAL OFFICE

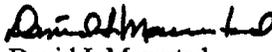


FEMA

R8-ORD

May 10, 2004

MEMORANDUM FOR: Tonda L. Hadley
Director, Dallas Field Office - Audits Division
Office of Inspector General

FROM: 
David I. Maurstad
Regional Director

SUBJECT: Grant Management: Wyoming's Compliance with Disaster
Assistance Program Requirements
Draft Audit Report for Comments

I am writing in response to your request for comments on the above subject report. Please find below actions taken, or planned, to address report recommendations.

A.1: Internal controls over PA and HM administrative plans and the hazard mitigation plan were weak.

State Response:

Response re Public Assistance (PA): The state PA administrative plan follows nearly verbatim the sample admin plan provided by FEMA on its web site. In terms of the specific findings:

Notifying potential applicants of program availability – Reference PA admin plan, page 4, item VI.B.2.

Participating with FEMA in establishing hazard mitigation and insurance requirements – Reference PA admin plan, page 6 item VI.C.1.e and 3.c, and page 9 item VI.D.6.f.

Complying with administrative requirements of 44 CFR Parts 13 and 206 – Future revisions of the PA admin plan will include this requirement.

Determining staffing and budgeting requirements for program management – Reference PA admin plan, page 3 item V.A and V.B.

PA admin plan was not incorporated into the State Emergency Plan – the PA admin plan is incorporated into the Emergency Operations Plan by reference on page B-10 and also in Annex R, "Recovery Assistance", pages R1 and R2. However, the PA plan that was referenced was not the most current plan. *Wyoming will make every effort to ensure the references are updated as appropriate.*

Response re Hazard Mitigation (HM):

Plan for DR1351 not submitted timely – Agreed. Every effort will be made to submit future plans timely.

HM plan does not contain methods to implement, monitor, evaluate, and update the mitigation plan on at least an annual basis (para. 2, page 6 of audit report) - *Best efforts with sufficient personnel will be made to review and update the HM admin plan annually.* If a disaster declaration which includes HM funding is received, OHS will update and submit the HM admin plan to Region VIII in a timely manner.

Wyoming prefers to keep administrative plans as basic and flexible as possible while meeting the letter of the law. Administrative plans are fleshed out through the management plan at the time of an actual event. Wyoming disagrees that the existing administrative plans do not meet the CFR requirements. Procedures for what will be done are in the administrative plans. Procedures for how it will be done will be in the event specific management plans.

Regional Comments:

Region supports the State's position on Administrative Plans and concurs that all listed items were adequately addressed in the State's plan except as noted. The administrative plan's purpose is to define what will be done, not how it will be done due to the varied nature of disasters. The type of procedural detail that the Audit report is evidently requesting would never be able to address every possible situation and such a plan would not be useable.

Region believes the proposed actions, when completed, will resolve this finding. Specifically,

- A PA plan is currently under review in Region and when completed, this portion of the finding should be closed.

- It is our understanding that the reference date of the PA Administrative Plan will be removed from the State Emergency Plan. When modified, the State will be requested to provide Region with a copy to forward, closing this portion of the finding.
- Following every major disaster, the HM Administrative Plan must be reviewed and updated in accordance with 44 CFR 206.437. Therefore, the plan must be updated regardless of receiving HM funding.
- Regarding the multi-hazard mitigation plan, DMA 2000 will override the need to submit a State multi-hazard mitigation plan for each disaster. Therefore, after November 1, 2004, this will no longer be an issue. Region believes no further action is necessary and this portion of the finding closed.

A.2: OHS did not obtain certification letters from subgrantees regarding PA project completion and project cost allowability.

State Response:

Certification letters were received and a copy of each is attached. Procedures are in place and Wyoming does follow them.

Regional Comments:

Region concurs with the State's response. Certifications were received for each of the large projects in DR-1268. The State is ensuring that procedures in the PA Administrative Plan are and will be followed. Region believes the finding should be closed.

A.3: OHS' subgrantee agreement for PA applicants did not contain all necessary information.

State Response:

OHS' subgrantee agreements are in the form of Memorandum of Understanding (MOU). The OHS MOU templates were revised some time ago and now incorporate OMB Circular A-133 requirements as well as record retention requirements. A copy of the boilerplate MOU language is attached.

Regional Comments:

Region concurs with the State's changes and believes the new document will resolve and close the finding.

A.4: Internal controls over submission of quarterly HM progress reports were weak.

State Response:

Wyoming has made a significant improvement from DR-1268 to DR-1351 in submitting timely reports. The Mitigation Division Director sent a letter to Wyoming on March 27, 2003 outlining the need for improvement in this area. The State has responded well in reporting for both HMGP and Unmet Needs.

Regional Comments:

The Administrative Plan includes directives for submitting quarterly reports. Region has issued a letter to the State requiring that HM submit quarterly reports in a timely manner. Significant improvement has been made. Region believes this finding is closed.

A.5: OHS did not ensure the allowability of HM project costs.

State Response:

Program manager has been instructed to more closely review supporting documentation for project costs claimed by subgrantees and will document the review has occurred.

Regional Comments:

The Administrative Plan should address and describe the State's procedures in order to follow all CFR and OMB Circulars. The Region will encourage the State to have protocols for cost reviews and recommends that this be incorporated into their Administrative Plan. Region believes this will resolve this finding.

A.6: OHS did not obtain adequate approval for an HM project scope change.

State Response:

The OHS State Hazard Mitigation Officer (SHMO) has clear recollection of having received verbal authorization from Region VIII staff for the change in scope of the project in question. In the future, greater care will be taken to document such authorization in writing.

Regional Comments:

Region has since instituted a procedure to ensure that all changes to the approved scope of work be submitted and approved in writing. Region believes this will close this finding.

B.7: OHS did not have an adequate labor distribution system to support claimed labor for PA management grants.

State Response:

Wyoming now has procedures for time and effort reporting in place. Time and effort reporting is required whenever individuals split efforts between cost centers (OMB Circular A-87, Appendix B, Paragraph 11-h-4). WOHS agrees adequate documentation did not exist for time and effort claimed during DR-1268, but is confident that the costs do reflect the effort expended. (Note: Copy of Time and Effort Log form is attached.)

Regional Comments:

Region believes that the State's current reporting system will adequately track labor distribution.

Many state systems did not have the capability of charging labor directly to a particular disaster due to the inadequacy of their payroll or accounting systems. Such was the case in Wyoming during the DR-1268 event. To support the costs claimed, Region has looked at the costs on case count basis in accordance with OMB Circular A-87 Attachment B, Section 11, Subsection h(6).

Region evaluation concluded that the time charged was reasonable: costs reflected an expected level of effort per project. We recognize that the effort required for each project is an estimate, however, based on other states within our Region, the overall costs to reconcile the Public Assistance grant is very conservative. The federal share of the final management costs for DR-1268 were \$29,609.23 or about 3% of the disaster's eligible

damages of \$946,401; significantly lower than other disasters in our Region with similar applicant workloads and disaster damage amounts.

Hard data cannot be produced after the fact, but we believe that the State's labor costs are reasonable. In support of this determination, FEMA's Office of Financial Management approved the costs on May 10, 2001.

Therefore, as the costs appear to be eligible and because they appear reasonable, Region does not believe that funds should be disallowed. This action is consistent with audits performed in other states within our Region.

Region believes that both items in this finding are closed.

B.8: OHS did not accurately report expenditures on the FSRs and erroneously claimed the state share of management grant costs.

State Response:

Due to WOHS staff turnover there was confusion regarding the 75%/25% split resulting in erroneous reporting of management grants and administrative costs. Procedures are now in place which separate the management costs from administrative costs to enable tracking and verification of the match requirements. The \$2,047 in questioned costs for DR-1351 has already been corrected so the only remaining questioned costs are \$7,402 for DR-1268. Verification of whether the state did spend the appropriate match amount in state funds would require virtually a 100% audit of all agency financial transactions that occurred during the time involved. The cost of such a financial review could equal or exceed the amount in question. We do not recommend this financial review be conducted unless advised to the contrary.

Regional Comments:

Region concurs with the State's statement that the procedures that are currently in place will adequately separate the management costs from the administrative costs to enable tracking and verification of the match requirements. A written copy will be requested and forwarded to close this portion of the finding.

As indicated in the State's response, the State did not properly enter figures into the FSR making it appear that the cost share was not met. However, the State did have approved management costs of \$29,609.23 as described in our response to B.7. In addition, as the

Grant Management: Wyoming's Compliance with Disaster Assistance Program Requirements
Draft Audit Report for Comments
May 10, 2004
Page Seven

Grantee, the State was provided \$15,070.85 in Grantee Administrative allowance in accordance with 44 CFR 206.228(a). The State therefore received a total of \$37,250.04 to manage the PA grant for DR-1268. As stated in their response, the State does not have the supporting documentation for these costs readily available. However, the management costs are acceptable (see response to B.7) and the Administrative allowance is statutory.

Therefore, as the costs appear reasonable and eligible, Region does not believe that funds should be disallowed. To request the State to perform an audit to support the costs incurred in managing DR-1268 would not be reasonable at this point in time or consistent with practices at the time the grant was reconciled in 2001. This action is also consistent with audits performed in other states within our Region. Region believes this portion of the finding closed.

Attachments (2)



*State of Wyoming Military Department
Office of the Adjutant General*

5500 Bishop Boulevard
Cheyenne, Wyoming 82009-3320

October 13, 2000

Mr. Rick Weiland, Director
FEMA Region VIII
Denver Federal Center, Bldg. 710
PO Box 25267
Denver, CO 80225-0267

RE: FEMA-1268-DR-WY-Large Project Closeout, PW-600

Dear Mr. Weiland,

In accordance with 44 CFR 206.205, I certify that reported costs were incurred in performance of eligible work, that the approved work was completed, that the project is in compliance with the provisions of the FEMA State Agreement, and that payments for that project have been made in accordance with 44 CFR 13.21.

As the Governor's Authorized Representative, I am requesting this project be closed out.

Sincerely,

ED BOENISCH
Maj Gen, WYNG
The Adjutant General

*Additional info to
00-62-1268*



State of Wyoming Military Department
Office of the Adjutant General

5500 Bishop Boulevard
Cheyenne, Wyoming 82009-3320

Orig. RR
cc: DRD
MIT

March 14, 2000

Mr. Douglas A. Gore
Response and Recovery Division, R8
Federal Emergency Management Agency
Denver Federal Center, Building 710
Box 25267
Denver, CO 80225-0267

027-0001E-00

RE: FEMA-1268-DR-WY, Large Project Closeout, PW 700-0

Dear Mr. Gore:

FEMER

I have attached financial summary sheets for Niobrara County, Wyoming, disaster indicating that Large Project PW 700-0, Tri-State Generation and Transmission, has been completed.

In accordance with 44 CFR 206.205, I certify that reported costs were incurred in performance of eligible work, that the approved work was completed, that the project is in compliance with the provisions of the FEMA-State Agreement, and that payments for that project have been made in accordance with 44 CFR 13.21.

As the Governor's Authorized Representative, I am requesting this project be closed out.

Sincerely,

Ed Boenisch
ED BOENISCH
Maj Gen, WY ANG
The Adjutant General

00-117-1268
LPC 1/33



EB:gwc
encl.

