The City of Raleigh, North Carolina, Properly Accounted for and Expended FEMA Public Assistance Grant Funds Awarded for April 2011 Disaster
MEMORANDUM FOR: Major P. (Phil) May  
Regional Administrator, Region IV  
Federal Emergency Management Agency

FROM: John V. Kelly  
Assistant Inspector General  
Office of Emergency Management Oversight

SUBJECT: The City of Raleigh, North Carolina, Properly Accounted for and Expended FEMA Public Assistance Grant Funds Awarded for April 2011 Disaster  
FEMA Disaster Number 1969-DR-NC  
Audit Report Number OIG-14-34-D

We audited Public Assistance funds awarded to the City of Raleigh, North Carolina (City) (FIPS Code 183-55000-00). Our audit objective was to determine whether the City accounted for and expended Federal Emergency Management Agency (FEMA) grant funds according to Federal regulations and FEMA guidelines.

The City received a Public Assistance award of $4.3 million from the North Carolina Emergency Management Agency (State), a FEMA grantee, for damages resulting from severe storms, tornadoes, and straight-line winds that occurred in April 2011. The award provided 75 percent FEMA funding for debris removal; emergency protective measures; and permanent repairs to buildings, utilities and other facilities. The award consisted of 14 large projects and 27 small projects.¹

We audited six large projects and four small projects with awards totaling $2.5 million (see Exhibit, Schedule of Projects Audited). The audit covered the period from April 16, 2011, to January 7, 2014, during which the City claimed $2.5 million of costs under the projects reviewed. At the time of our audit, the City had completed work on all projects included in our scope and had submitted final claims to the State for expenditures under those projects.

We conducted this performance audit between August 2013 and January 2014 pursuant to the Inspector General Act of 1978, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the

¹ Federal regulations in effect at the time of disaster set the large project threshold at $63,900.
audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objective. To conduct this audit, we applied the statutes, regulations, and FEMA policies and guidelines in effect at the time of the disaster.

We judgmentally selected and reviewed project costs (generally based on dollar value); interviewed City, State, and FEMA personnel; reviewed the City’s procurement policies and procedures; reviewed applicable Federal regulations and FEMA guidelines; and performed other procedures considered necessary to accomplish our audit objective. We did not assess the adequacy of the City’s internal controls applicable to its grant activities because it was not necessary to accomplish our audit objective. However, we gained an understanding of the City’s method of accounting for disaster-related costs and its policies and procedures for administering activities provided for under the FEMA award.

RESULTS OF AUDIT

For the projects we reviewed, the City properly accounted for and expended FEMA funds according to Federal regulations and FEMA guidelines.

DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOWUP

We discussed the audit results with City, State, and FEMA officials at an exit conference held on January 21, 2014. Because the audit did not identify issues requiring further action from FEMA, we consider this audit closed.

Consistent with our responsibility under the Inspector General Act, we will provide copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Major contributors to this report are David Kimble, Director; Adrianne Bryant, Audit Manager; Jerry Aubin, Auditor-in-charge; and Calbert Flowers, Auditor.

Please call me with any questions at (202) 254-4100, or your staff may contact David Kimble, Director, Eastern Regional Office, at (404) 832-6702.
### Schedule of Projects Audited

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Scope</th>
<th>FEMA Category of Work</th>
<th>Amount Awarded</th>
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<tr>
<td>Large Projects:</td>
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<tr>
<td>335</td>
<td>Debris Removal – Public Works Department A</td>
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<td>373</td>
<td>Debris Removal – Public Works Department A</td>
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<td>471</td>
<td>Emergency Protective Measures – Public Works Department A</td>
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<td>423</td>
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<tr>
<td>470</td>
<td>Debris Removal – Solid Waste Department A</td>
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<tr>
<td>375</td>
<td>Emergency Protective Measures B</td>
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<td>Small Projects:</td>
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<tr>
<td>413</td>
<td>Parks and Recreation G</td>
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<td><strong>Total</strong></td>
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