

**Gulfport School District,
Mississippi, Properly
Accounted for and Expended
FEMA Public Assistance Grant
Funds Awarded for Hurricane
Katrina Damages**





HIGHLIGHTS

Gulfport School District, Mississippi, Properly Accounted for and Expended FEMA Public Assistance Grant Funds Awarded for Hurricane Katrina Damages

November 18, 2014

Why We Did This

The District received a Public Assistance grant award of \$4.9 million for damages resulting from Hurricane Katrina, which occurred in August 2005.

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

What We Recommend

The report contained no recommendations.

For Further Information:

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

What We Found

For the projects we reviewed, the Gulfport School District, Mississippi, (District) properly accounted for and expended FEMA funds according to Federal regulations and FEMA guidelines.

FEMA Response

Because the audit did not identify any issues requiring further action from FEMA, we consider this audit closed.

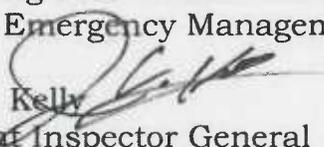


OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

NOV 18 2014

MEMORANDUM FOR: Andrew Velasquez III
Acting Regional Administrator, Region IV
Federal Emergency Management Agency

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

SUBJECT: *Gulfport School District, Mississippi, Properly
Accounted for and Expended FEMA Public
Assistance Grant Funds Awarded for Hurricane
Katrina Damages*
FEMA Disaster Number 1604-DR-MS
Audit Report Number OIG-15-12-D

We audited Public Assistance funds awarded to Gulfport School District, Mississippi (District) (FIPS Code 047-00DFF-00). Our audit objective was to determine whether the District accounted for and expended Federal Emergency Management Agency (FEMA) funds according to Federal regulations and FEMA guidelines.

The District received a Public Assistance grant award of \$14.3 million (gross) from the Mississippi Emergency Management Agency (Mississippi), a FEMA grantee, for damages resulting from Hurricane Katrina, which occurred in August 2005. The award provided 100 percent FEMA funding for debris removal, emergency protective measures, and permanent repairs to buildings and facilities. The award consisted of 46 large projects and 46 small projects.¹

We audited four large projects with awards totaling \$6.3 million (gross) (see Exhibit, Schedule of Projects Audited). The audit covered the period of August 29, 2005, to September 27, 2013, during which the District claimed \$4.4 million in FEMA funds for the four projects we reviewed. At the time of our audit, the District had completed work on all projects and submitted a final claim in July 2013 to Mississippi. FEMA closed all projects in September 2013.

Table 1 shows the gross and net award amounts before and after reductions for insurance for all projects and for those in our audit scope.

¹ Federal regulations in effect at the time of Hurricane Katrina set the large project threshold at \$55,500.



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Table 1: Gross and Net Award Amounts

	Gross Award Amount	Insurance Reductions	Net Award Amount
All Projects	\$14,345,181	\$(9,448,936)	\$4,896,245
Audit Scope	\$6,279,984	\$(1,983,902)	\$4,296,082

Source: FEMA Project Worksheets

We conducted this performance audit between January 2014 and July 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 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 interviewed FEMA, Mississippi, and District officials; gained an understanding of the District's method of accounting for disaster-related costs and its procurement policies and procedures; judgmentally selected and reviewed project costs and procurement transactions for the projects included in our review; reviewed applicable Federal regulations and FEMA guidelines; and performed other procedures considered necessary under the circumstances to accomplish our audit objective. As part of our standard audit procedures, we also notified the Recovery Accountability and Transparency Board of all contracts the subgrantee awarded under the projects within our audit scope to determine whether the contractors were debarred or whether there were any indications of other issues related to those contractors that would indicate fraud, waste, or abuse. The Recovery Accountability and Transparency Board determined that none of the contractors were debarred and no other issues came to its attention related to those contractors that would indicate fraud, waste, or abuse. We did not perform a detailed assessment of the District's internal controls applicable to its grant activities because it was not necessary to accomplish our audit objective.



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RESULTS OF AUDIT

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

DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOWUP

We discussed the results of our audit with District, Mississippi, and FEMA officials during our audit. We also provided a draft report in advance to these officials and discussed it at the exit conference on July 21, 2014. Because the audit did not identify any 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; Larry Arnold, Audit Manager; and Katrina Griffin, Auditor-in-Charge.

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.



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Exhibit

Schedule of Projects Audited

Project Number	Category of Work²	Project Scope	Net Amount Awarded	Amount Claimed³
7780	E	Eastward Community Education and Technology Support Service Center	\$1,870,708	\$1,920,708
11047	G	East Ward Community Education and Technology Support Center Land Acquisition	409,359	409,188
11049	G	East Ward Community Education and Technology Support Center Sitework	617,418	643,238
11284	E	Asbestos Abatement, Fencing and Electrical/Lighting Repairs at Athletic Facilities	\$1,398,597	\$1,398,597
Totals			\$4,296,082	\$4,371,731

Source: FEMA Project Worksheets and District Records

² FEMA classifies disaster-related work by type: debris removal (Category A), emergency protective measures (Category B), and permanent work (Categories C through G).

³ FEMA reduced the amounts the District claimed for Projects 7780, 11047, and 11049 by a total of \$75,648 for various reasons (program income, ineligible expenses, etc.).



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