Palm Beach County School District, Florida, Effectively Managed FEMA Public Assistance Grant Funds Awarded for Hurricane Frances Damages

March 18, 2015
OIG-15-49-D
March 18, 2015

Why We Did This

The Palm Beach County School District, Florida (District) received a Public Assistance award of $6.4 million from the Florida Division of Emergency Management, a Federal Emergency Management Agency (FEMA) grantee, for Hurricane Frances damages in September 2004. Our audit objective was to determine whether the District accounted for and expended FEMA funds according to Federal requirements.

What We Found

For the projects we reviewed, the District generally accounted for and expended FEMA Public Assistance grant funds according to Federal requirements.

What We Recommend

The report contained no recommendations.

FEMA Response

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

For Further Information:
Contact our Office of Public Affairs at (202) 254-4100, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov
MEMORANDUM FOR: Gracia Szczech
Regional Administrator, Region IV
Federal Emergency Management Agency

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

SUBJECT: Palm Beach County School District, Florida, Effectively Managed FEMA Public Assistance Grant Funds Awarded for Hurricane Frances Damages
Audit Report Number OIG-15-49-D

We audited Public Assistance grant funds awarded to Palm Beach County School District, Florida (District). The District received a Public Assistance award of $6.4 million from the Florida Division of Emergency Management (Florida), a Federal Emergency Management Agency (FEMA) grantee, for damages resulting from Hurricane Frances, which occurred in September 2004.¹ The award provided 90 percent FEMA funding for debris removal, emergency protective measures, and repair to buildings and other facilities. We audited 4 large projects and 13 small projects totaling $3.8 million (see appendix A). At the time of our audit, the District had completed work under all projects in our audit scope and Florida had closed out the grant award.

Results of Audit

For the projects we reviewed, the District generally accounted for and expended FEMA Public Assistance grant funds according to Federal requirements.

Discussion with Management and Audit Follow-up

We discussed the audit results with District, Florida, and FEMA officials during our audit. We also provided a written summary of our findings in advance to

¹ Disaster damages did not exceed the District’s insurance deductible; therefore, the $6.4 million award is the gross amount.
these officials and discussed them at the exit conference held on January 20, 2015. Because the audit did not identify any issues requiring further action from FEMA, we consider this audit closed.

Major contributors to this report are David Kimble, Director; Felipe Pubillones, Audit Manager; Mary Stoneham, Auditor-in-Charge; and Angelica Esquerdo, 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.
Appendix A

Objective, Scope, and Methodology

We conducted this performance audit between January 2014 and January 2015 under the authority of 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 on 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 audited Public Assistance grant funds awarded to the District, FIPS Code 099-11200-00. Our audit objective was to determine whether District accounted for and expended FEMA grant funds according to Federal regulations and FEMA guidelines for FEMA Disaster Number 1545-DR-FL. The District received a Public Assistance award of $6.4 million from Florida, a FEMA grantee, for damages resulting from Hurricane Frances, which occurred in September 2004. The award provided 90 percent FEMA funding for debris removal, emergency protective measures, and repair to buildings and other facilities. The award consisted of 12 large and 17 small projects. We audited 4 large projects and 12 small projects totaling $3.8 million awarded to the District (see table 1). The audit covered the period September 3, 2004, to January 18, 2012, during which the District claimed $3.8 million.

We interviewed District, Florida, and FEMA personnel; gained an understanding of the District’s method of accounting for disaster-related costs and its procurement policies and procedures; judgmentally selected (generally based on dollar values) and reviewed project costs and procurement transactions for the projects in our audit scope; reviewed applicable Federal regulations and FEMA guidelines; and performed other procedures considered necessary 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 grant to determine whether the contractors were debarred or whether there were any indications of other issues related to those contracts that would indicate fraud, waste, or abuse. The Recovery Accountability and Transparency Board’s analysis of contracts found no derogatory information. 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.

2 Federal regulations in effect at the time of the disaster set the large project threshold at $54,100.
### Table 1: Schedule of Projects Audited

<table>
<thead>
<tr>
<th>Project Number</th>
<th>FEMA Category of Work</th>
<th>Amount Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Projects:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9695</td>
<td>B</td>
<td>$1,282,198</td>
</tr>
<tr>
<td>1437</td>
<td>E</td>
<td>596,004</td>
</tr>
<tr>
<td>1520</td>
<td>E</td>
<td>636,042</td>
</tr>
<tr>
<td>1682</td>
<td>E</td>
<td>1,050,185</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>$3,564,429</strong></td>
</tr>
<tr>
<td>Small Projects:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8242</td>
<td>E</td>
<td>$ 1,808</td>
</tr>
<tr>
<td>5780</td>
<td>A</td>
<td>8,235</td>
</tr>
<tr>
<td>5107</td>
<td>E</td>
<td>8,664</td>
</tr>
<tr>
<td>7284</td>
<td>E</td>
<td>10,269</td>
</tr>
<tr>
<td>8040</td>
<td>E</td>
<td>11,159</td>
</tr>
<tr>
<td>7282</td>
<td>E</td>
<td>12,544</td>
</tr>
<tr>
<td>5121</td>
<td>E</td>
<td>22,734</td>
</tr>
<tr>
<td>8221</td>
<td>E</td>
<td>23,789</td>
</tr>
<tr>
<td>5124</td>
<td>E</td>
<td>27,438</td>
</tr>
<tr>
<td>5212</td>
<td>E</td>
<td>35,229</td>
</tr>
<tr>
<td>4476</td>
<td>E</td>
<td>41,359</td>
</tr>
<tr>
<td>5223</td>
<td>E</td>
<td>42,682</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>$ 245,910</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$3,810,339</strong></td>
</tr>
</tbody>
</table>


---

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

Report Distribution

Department of Homeland Security

Secretary  
Chief of Staff  
Chief Financial Officer  
Under Secretary for Management  
Chief Privacy Officer  
Audit Liaison, DHS

Federal Emergency Management Agency

Administrator  
Chief of Staff  
Chief Financial Officer  
Chief Counsel  
Director, Risk Management and Compliance  
Audit Liaison, FEMA Region IV  
Audit Liaison, FEMA (Job Code G-14-024)

Office of Management and Budget

Chief, Homeland Security Branch  
DHS OIG Budget Examiner

Recovery Accountability and Transparency Board

Director, Investigations

Congress

Congressional Oversight and Appropriations Committees

External

Director, Florida Emergency Management Agency  
State Auditor, Florida  
Director of Finance Services, Palm Beach County School District
ADDITIONAL INFORMATION AND COPIES

To view this and any of our other reports, please visit our website at: www.oig.dhs.gov.

For further information or questions, please contact Office of Inspector General Public Affairs at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov. Follow us on Twitter at: @dhsoig.

OIG HOTLINE

To report fraud, waste, or abuse, visit our website at www.oig.dhs.gov and click on the red "Hotline" tab. If you cannot access our website, call our hotline at (800) 323-8603, fax our hotline at (202) 254-4297, or write to us at:

Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive, SW
Washington, DC 20528-0305