



Homeland
Security

July 7, 2010

MEMORANDUM FOR: Beth Freeman, Regional Administrator
FEMA Region VII

Tonda L. Hadley

FROM: Tonda L. Hadley, Director
Central Regional Office

SUBJECT: *Greene County, Missouri*
FEMA Disaster Number 1676-DR-MO
Public Assistance Identification Number 077-99077-00
Audit Report Number DD-10-13

We audited public assistance funds awarded to Greene County (County), Missouri. Our audit objective was to determine whether the County accounted for and expended Federal Emergency Management Agency (FEMA) grant funds according to federal regulations and FEMA guidelines.

The County received an award of \$10.16 million from the State of Missouri Emergency Management Agency (SEMA), a FEMA grantee, for damages caused by severe winter storms and flooding on January 12, 2007. The award provided 75% funding for nine large and five small projects.¹ We audited seven large and two small projects or 96% of the award (see Exhibit). The audit covered the period January 12, 2007, through July 14, 2008, during which the County claimed \$10.07 million of direct program costs.

We conducted this performance audit 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 and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We interviewed FEMA, SEMA, and County officials; reviewed judgmentally selected transactions (generally based on dollar value) of the County's claimed costs; and performed other procedures

¹ Federal regulations in effect at the time of the disaster set the large project threshold at \$59,700.

considered necessary to accomplish our objective. We did not assess the adequacy of the County's internal controls applicable to grant activities because it was not necessary to accomplish our audit objective. We did, however, gain an understanding of the County's method of accounting for disaster-related costs and its procurement policies and procedures.

RESULTS OF AUDIT

The County accounted for and expended FEMA grant funds on a project-by-project basis according to federal regulations and FEMA guidelines.² We also determined that SEMA provided sufficient assistance to the County, which contributed to ensuring the County properly accounted for and expended their grant award.

DISCUSSION WITH MANAGEMENT

We discussed the results of our audit with FEMA on June 24, 2010, SEMA on June 25, 2010, and County officials on June 22, 2010. These officials agreed with the audit results. Because the audit did not identify issues requiring further action from FEMA, we consider this audit closed. Significant contributors to this report were Paige Hamrick, Sharon Snedeker, and Jim Nelson. Should you have questions concerning this report, please contact me, or your staff may contact Paige Hamrick, Audit Manager, at (214) 436-5200.

cc: Audit Liaison, FEMA Region VII
Audit Liaison, FEMA (Job Code G-10-012)

² 44 CFR 13.20(b)(2).

EXHIBIT

**Schedule of Audited and Questioned Costs
Greene County, Missouri
FEMA Disaster Number 1676-DR-MO**

Project Number	Award Amount	Questioned Costs
104	\$ 38,639	\$0
156	6,234,691	0
159	2,280,827	0
170	153,533	0
913	247,489	0
977	9,905	0
1090	18,675	0
1096	181,183	0
1105	<u>522,566</u>	<u>0</u>
Total	<u>\$9,687,508</u>	<u>\$0</u>