

Department of Homeland Security **Office of Inspector General**

FEMA Hazard Mitigation Grant Program Funds
Awarded to Wichita Public School District #259,
Wichita, Kansas

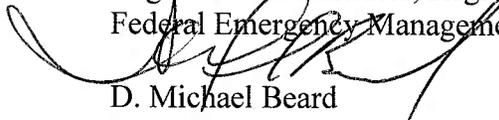




**Homeland
Security**

APR 4 2012

MEMORANDUM FOR: Beth A. Freeman
Regional Administrator, Region VII
Federal Emergency Management Agency

FROM: 
D. Michael Beard
Assistant Inspector General
Office of Emergency Management Oversight

SUBJECT: *FEMA Hazard Mitigation Grant Program Funds Awarded to
Wichita Public School District #259, Wichita, Kansas*
FEMA Disaster Number 1699-DR-KS
Audit Report Number DD-12-07

We audited Hazard Mitigation Grant Program (HMGP) funds awarded to Wichita Public School District #259 (Wichita) in Wichita, Kansas. Our audit objectives were to determine whether Wichita accounted for and expended Federal Emergency Management Agency (FEMA) grant funds according to federal regulations and FEMA guidelines, the project met FEMA eligibility requirements, and project management complied with project management requirements.

The Kansas Division of Emergency Management (KDEM), a FEMA grantee, awarded Wichita \$13.4 million (\$10.0 million federal share) following the severe storms, tornadoes, and flooding that occurred between May 4, and June 1, 2007, for the design and construction of 16 school tornado safe rooms. FEMA awarded the funds according to FEMA's Mitigation Interim Policy MRR-2-07-1, Hazard Mitigation Assistance for Safe Rooms.

The award provided FEMA funding for 75% of eligible project costs. At the time of our audit, Wichita had completed 3 of the 16 school tornado safe rooms. The audit covered the period from the project submittal in September 2008 to our audit cutoff date in September 2011. During this time, Wichita claimed \$6.7 million in direct project costs. We audited \$3.2 million of the costs claimed for eight safe rooms, which were reported to be at least 80% complete.

We conducted this performance audit between September 2011 and March 2012 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives. We conducted this audit

according to the statutes, regulations, and FEMA policies and guidelines in effect at the time of the disaster.

We interviewed FEMA, KDEM, and Wichita officials; reviewed project costs incurred as of September 2011 for eight safe rooms judgmentally selected based on percentage of completion; and performed other procedures considered necessary to accomplish our objectives. We did not assess the adequacy of Wichita's internal controls applicable to grant activities because it was not necessary to accomplish our audit objectives. However, we did gain an understanding of Wichita's methods of accounting for project-related costs and its procurement policies and procedures.

BACKGROUND

FEMA provides HMGP grants on a cost-shared basis to eligible applicants within a state declared eligible for federal assistance to implement measures designed to reduce the loss of life and property from natural disasters. FEMA's eligibility criteria require that an applicant have a FEMA-approved hazard mitigation plan and that projects be cost effective, comply with environmental and historic preservation requirements, and provide a long-term beneficial impact. Eligible applicants include state and local governments, certain private nonprofit organizations and institutions, and Indian tribes or tribal organizations.

RESULTS OF AUDIT

Wichita accounted for and expended FEMA funds according to federal regulations and FEMA guidelines; the project met FEMA eligibility requirements; and project management complied with applicable regulations and guidelines.

DISCUSSION WITH MANAGEMENT

We discussed the results of our audit with FEMA, KDEM, and Wichita officials during our audit. We also provided a draft report in advance to these officials and discussed it at exit conferences held with FEMA and KDEM on February 15, 2012, and Wichita on February 14, 2012. Because the audit did not identify issues requiring further action from FEMA, we consider this audit closed and do not require a response.

Consistent with our responsibility under the *Inspector General Act*, we are providing 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. Significant contributors to this report were Tonda Hadley, Moises Dugan, William Lough, and Patricia Epperly.

Should you have questions concerning this report, please contact me at (202) 254-4100 or Tonda Hadley at (214) 436-5200.

cc: Administrator, FEMA
Director, Risk Management and Compliance, FEMA Office of Chief Financial Officer
Audit Liaison, FEMA (Job Code G-11-065)
Audit Liaison, FEMA Region VII
Audit Liaison, DHS

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