



DEPARTMENT OF HOMELAND SECURITY

Office of Inspector General – Office of Audits
San Francisco Field Office
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November 24, 2003

MEMORANDUM

TO: Jeff Griffin
Regional Director
FEMA, Region IX

Robert J. Lastrico

FROM: Robert J. Lastrico
Field Office Director

SUBJECT: City of Palo Alto, California
Public Assistance Identification Number 085-55282
FEMA Disaster Number 1203-DR-CA
Audit Report Number DS-02-04

The Office of Inspector General (OIG) audited public assistance funds awarded to the City of Palo Alto, California (City). The objective of the audit was to determine whether the City expended and accounted for Federal Emergency Management Agency (FEMA) funds according to federal regulations and FEMA guidelines.

The City received an award of \$1.9 million from the California Office of Emergency Services (OES), a FEMA grantee, for emergency and permanent repairs to City facilities damaged as a result of flooding that occurred from February 2, 1998, through April 30, 1998. The award provided for 75 percent FEMA funding for 10 large projects and 9 small projects.¹ The audit covered the period February 2, 1998, to April 22, 2002, and included a review of two large projects with a total award of \$456,845.

¹ Federal regulations in effect at the time of the disaster defined a large project as one costing \$47,100 or more and a small project as one costing less than \$47,100.

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The OIG performed the audit under the authority of the Inspector General Act of 1978, as amended, and according to generally accepted government auditing standards. The audit included a review of FEMA, OES, and City records, and other auditing procedures considered necessary under the circumstances.

The audit confirmed that the City expended and accounted for the FEMA funds it claimed according to federal regulations and FEMA guidelines. The OIG informed City officials of audit results on November 14, 2003, and OES and FEMA Region IX officials on November 17, 2003. Since this report contains no recommendations, a response is not required. Should you have any questions concerning this report, please contact me at (510) 627-7011. Key contributors to this assignment were Humberto Melara and Venetia Gatus.