

U.S. Department of Homeland Security  
 Eastern Region  
 Office of Emergency Management Oversight  
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 Atlanta, Georgia 30309



# Homeland Security

August 18, 2009

MEMORANDUM FOR: Robert Ives, Director  
 FEMA Florida Recovery Office

FROM: C. David Kimble, Director  
 Eastern Regional Office

SUBJECT: *City of Homestead, Florida*  
 Public Assistance Identification Number: 086-32275-00  
 FEMA Disaster No. 1609-DR-FL  
 Report No. DA-09-23

We audited public assistance funds awarded to the City of Homestead, Florida. The audit objective was to determine whether the city accounted for and expended Federal Emergency Management Agency (FEMA) grant funds according to federal regulations and FEMA guidelines.

As of April 13, 2009, the cut-off date of our review, the city had received an award of \$4.7 million from the Florida Department of Community Affairs (DCA), a FEMA grantee, for debris removal, emergency protective measures, repairs to buildings and equipment, and other disaster-related activities as a result of Hurricane Wilma in October 2005. The award provided 100% FEMA funding for 12 large projects and 34 small projects.<sup>1</sup> We limited our audit to \$2.4 million awarded under 3 large projects for debris removal and emergency protective measures as shown in the table below.

Project Number	Authorized Activity	Amount Awarded	Amount Received
1461	Emergency Protective Measures	\$ 299,137	\$ 269,223
1474	Emergency Protective Measures	240,099	240,099
5951	Debris Removal	1,815,879	1,634,291
Total		\$ 2,355,115	\$ 2,143,613

<sup>1</sup> Federal regulations in effect at the time of Hurricane Wilma set the large project threshold at \$57,500.

The audit covered the period October 23, 2005, to April 13, 2009, during which the city received \$2.1 million of FEMA funds under the 3 large projects. As of the cut-off date of our audit, the city had not submitted final claims on project expenditures to DCA.

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, 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 judgmentally selected samples of project cost documentation (generally based on dollar value); interviewed city, DCA, and FEMA personnel; reviewed the city's disaster grant accounting system and procurement policies and procedures; reviewed applicable federal regulations and FEMA guidelines; and performed other procedures considered necessary under the circumstances. We did not assess the adequacy of the city's internal controls applicable to its grant activities because it was not necessary to accomplish our audit objective. We did, however, gain an understanding of the city's grant accounting system and its policies and procedures for administering activities provided for under the FEMA award.

We determined that the city accounted for and expended FEMA funds according to federal regulations and FEMA guidelines. On July 6, 2009, we informed city officials of the audit results. Since this report contains no recommendations, a response is not required.

Should you have any questions, or require additional information concerning this report, please contact me at (404) 832-6702 or Felipe Pubillones at (404) 832-6705. Key contributors to this assignment were Felipe Pubillones, Ronald Cummings, and Gwinnette Kendrick.

cc: Regional Administrator, FEMA Region IV  
Audit Liaison, FEMA Region IV  
Audit Liaison, FEMA