



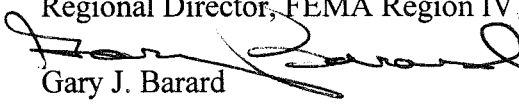
DEPARTMENT OF HOMELAND SECURITY

Office of Inspector General
Atlanta Field Office - Audit Division
3003 Chamblee Tucker Rd
Atlanta, GA 30341

November 18, 2003

MEMORANDUM

TO: Kenneth O. Burris, Jr.
Regional Director, FEMA Region IV

FROM: 
Gary J. Barard
Field Office Director

SUBJECT: Bibb County, Georgia
FEMA Disaster 1033-DR-GA
Audit Report No. DA-04-04

The Office of Inspector General (OIG) audited public assistance funds awarded to Bibb County, Georgia. The objective of the audit was to determine whether the County accounted for and expended FEMA funds according to federal regulations and FEMA guidelines.

The County received an award of \$2.2 million from the Georgia Emergency Management Agency, a FEMA grantee, for debris removal, emergency protective measures, and restoration of facilities damaged as a result of Tropical Storm Alberto in July 1994. The award provided 90 percent FEMA funding for 9 large projects¹ and 45 small projects. Audit work was limited to the \$2,017,304 awarded and claimed under the nine large projects (see Exhibit).

The audit covered the period July 1994 to July 2002. During this period, the County received \$1,815,573 of FEMA funds under the 9 large projects.

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 tests of the County's accounting records, a judgmental sample of expenditures, and other auditing procedures considered necessary under the circumstances.

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¹ According to FEMA regulations a large project cost \$42,400 or more and a small project costs less than \$42,400.

RESULTS OF AUDIT

Except for questioned costs of \$15,219 (federal share \$13,697) resulting from excessive and unsupported charges, the County properly accounted for and used FEMA funds.

- A. Excessive Charges. Due to computation errors, the County's claim under Project 80492 included \$14,546 of excess charges for overtime and fringe benefits.

The County incurred \$22,596 and \$2,131 of overtime labor and fringe benefits costs, respectively, to administer the project. The fringe benefits rate for overtime pay was 9.43 percent, consisting of FICA taxes (7.65 percent) and workmen compensation insurance (1.78 percent). However, when computing the claim for fringe benefits, the County inadvertently omitted the cost of workmen compensation insurance. FEMA and GEMA officials identified this error during final inspection of the project, but made errors when re-computing the County's overtime labor cost claim.

Specifically, the officials mistakenly reflected in the claim that the County incurred \$35,889 of overtime cost under the project. This error resulted in excessive charges for overtime cost totaling \$13,293 (\$35,889 less \$22,596). Further, the officials used the \$35,889 figure as the base for computing \$3,384 of fringe benefit cost. This error resulted in excessive charges for fringe benefit cost totaling \$1,253 (\$3,384 less \$2,131).

Accordingly, the OIG questions the \$14,546 (\$13,293 + \$1,253) of excessive charges.

- B. Unsupported Charges. Federal regulation (44 CFR 13.20) requires the County to maintain supporting documentation for all cost claimed. However, under Project 80492, the County's claimed \$16,488 for 920 hours of equipment use, but had records showing only 867 hours of equipment usage at a cost of \$15,815. Accordingly, the OIG questions the \$673 of unsupported charges.

RECOMMENDATION

The OIG recommends that the Regional Director, in coordination with the grantee, disallow the \$15,219 of questioned costs.

DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOW-UP

The audit results were discussed with FEMA, grantee, and County officials on October 2, 2003. County officials concurred with the findings.

Please advise the Atlanta Field Office-Audit Division by January 18, 2003, of the actions taken to implement the recommendation. Should you have any questions concerning this report, please contact George Peoples or me at (770) 220-5242.

Bibb County, Georgia
FEMA Disaster No. 1033-DR-GA
Schedule of Claimed and Questioned Costs

<u>Project Number</u>	<u>Amount Awarded</u>	<u>Amount Claimed</u>	<u>Amount Questioned</u>
38714	\$126,949	\$126,949	
38770	47,714	47,714	
70206	62,175	62,175	
76353	82,196	82,196	
80210	363,928	363,928	
80492	90,869	90,869	\$15,219
90457	430,805	430,805	
90459	117,226	117,226	
92330	<u>695,442</u>	<u>695,442</u>	
	<u>\$2,017,304</u>	<u>\$2,017,304</u>	<u>\$15,219</u>