

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

FEMA Public Assistance Grant Funds Awarded to
City of Pensacola, Florida – Hurricane Dennis



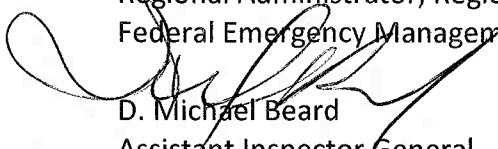


OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

AUG 27 2012

MEMORANDUM FOR: Major P. (Phil) May
Regional Administrator, Region IV
Federal Emergency Management Agency

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

SUBJECT: FEMA Public Assistance Grant Funds Awarded to
City of Pensacola, Florida – Hurricane Dennis
FEMA Disaster Number 1595-DR-FL
Audit Report Number DA-12-25

We audited Public Assistance funds awarded to the City of Pensacola, Florida (City) (FIPS Code 033-55925-00). Our 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 August 25, 2011, the City had received a Public Assistance award of \$9.9 million from the Florida Division of Emergency Management (State), a FEMA grantee, for damages resulting from Hurricane Dennis, which occurred in July 2005. The award provided 100 percent FEMA funding for debris removal activities, emergency protective measures, repairs to roads and bridges, and permanent repairs to buildings and other facilities. The award consisted of 10 large projects and 34 small projects.¹

We reviewed costs totaling \$8.0 million claimed under three large projects, as shown in table 1. The audit covered the period July 7, 2005, to August 25, 2011, during which the City received \$8.0 million of FEMA funds under the projects reviewed. At the time of our audit, the City had submitted final claims on all project expenditures to the State.

¹ Federal regulations in effect at the time of the disaster set the large project threshold at \$55,500.



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Table 1: Projects Reviewed

Project Number	Amount Awarded	Amount Claimed
3	\$5,902,392	\$5,902,392
54	771,560	771,560
1348	1,335,860	1,335,860
Total	\$ 8,009,812	\$8,009,812

We conducted this performance audit between October 2011 and June 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objective. We conducted this audit by applying the statutes, regulations, and FEMA policies and guidelines in effect at the time of the disaster.

We judgmentally selected project costs (generally based on dollar value); interviewed City, State, and FEMA personnel; reviewed the City’s procurement policies and procedures; reviewed applicable Federal regulations and FEMA guidelines; and performed other procedures considered necessary to accomplish our audit objective. 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. However, we gained an understanding of the City’s method of accounting for disaster-related costs and its policies and procedures for administering the activities provided for under the FEMA award.

RESULTS OF AUDIT

We determined that the City accounted for and expended FEMA funds according to Federal regulations and FEMA guidelines for the three projects included in our review.

DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOWUP

We discussed the results of our audit with City, FEMA, and Region officials on June 27, 2012. Because the audit did not identify issues requiring further action from FEMA, we consider this audit closed. Major contributors to this report were David Kimble, Eastern Region Audit Director; William (John) Johnson, Audit Manager; Ronald Cummings, Senior Auditor; and Calbert Flowers, Auditor.



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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.

Please call me with any questions at (202) 254-4100, or your staff may contact David Kimble, Eastern Region Audit Director, at (404) 832-6702.



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Exhibit

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City of Pensacola, Florida
FEMA Disaster Number 1595-DR-FL

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