



Homeland Security

January 25, 2008

MEMORANDUM FOR: Nancy Ward
Regional Administrator
FEMA Region IX

FROM: *Robert J. Lastrico*
Robert J. Lastrico
Director
Western Regional Office

SUBJECT: *Interim Audit of San Diego County, California
Public Assistance Identification Number 073-99073-00
FEMA Disaster Number 1498-DR-CA
Audit Report Number DS-08-01*

The Department of Homeland Security Office of Inspector General audited public assistance grant funds awarded to San Diego County, California (County). The objective of this interim audit was to determine whether the County expended and accounted for Federal Emergency Management Agency (FEMA) funds according to federal regulations and FEMA guidelines.

The County received a public assistance grant award of \$9.9 million from the California Governor's Office of Emergency Services (OES), a FEMA grantee, for debris removal, emergency protective measures, and repair of County facilities damaged as a result of fires beginning on October 21, 2003. The award provided 75% federal funding for 32 large projects and 114 small projects.¹ The audit covered the period October 21, 2003, to November 8, 2007, and included a review of three large projects with total funding of \$3,680,175. As noted in the table below, two of the three projects experienced a cost under-run totaling \$309,980, and the County plans to request a reduced reimbursement for these projects.

Project Number	Amount Awarded	Actual	
		Disaster Costs	Under-Run
226	\$1,955,055	\$1,876,711	\$78,344
10	873,460	873,460	0
1017	851,660	620,024	231,636
Total	\$3,680,175	\$3,370,195	\$309,980

¹ Federal regulations in effect at the time of the disaster set the large project threshold at \$54,100.

The OIG performed the audit under the authority of the Inspector General Act of 1978, as amended, and according to *Government Auditing Standards* issued by the Comptroller General of the United States. The audit included a review of FEMA, OES, and County records, a judgmental sample of project expenditures, and other auditing procedures considered necessary under the circumstances.

The audit confirmed that the County expended and accounted for FEMA funds according to federal regulations and FEMA guidelines. We informed FEMA, OES, and the County of the results on November 28, 2007. Since this report contains no recommendations, a response is not required. Should you have any questions concerning this report, please contact me at (510) 637-1761. Key contributors to this report were Humberto Melara, Jeff Flynn, and Gloria Conner.