



Why This Matters

The Office of Inspector General (OIG) serves as an independent body to deter, identify, and address fraud, abuse, mismanagement, and waste in the Department of Homeland Security (DHS) programs and operations. To this end, the OIG is responsible for conducting and supervising audits, investigations, and inspections relating to the programs and operations of DHS. The OIG examines, evaluates and, where necessary, critiques these operations and activities, recommending ways for DHS to carry out its responsibilities in the most effective, efficient, and economical manner possible.

DHS Response

Within 90 days of the date of the grant audit report, Management should provide our office with a written response that includes their (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation.

The Town of San Anselmo, CA, Did Not Properly Account for and Expend FEMA's PA Grant Funds

What We Determined

The Town of San Anselmo, California, (Town), did not properly account for and expend Federal Emergency Management Agency's (FEMA) Public Assistance (PA) grant funds according to Federal regulations and FEMA guidelines, PA Identification Number 041-64434-00, as detailed in this interim report.

Our audit objective was to determine whether the Town accounted for and expended FEMA grant funds according to Federal regulations and FEMA guidelines.

We were unable to verify the validity and supportability of the \$1,599,777 in disaster costs the Town charged to Project 3625 and is claiming as part of a first appeal. The claim includes costs that are unsupported or ineligible for PA funding, and the Town's records were insufficient to provide an audit trail in support of the claim. As a result, we question the Town's claim in its entirety.

What We Recommend

We recommend that the Region Administrator, FEMA Region IX, (1) disallow the Town's first appeal claim for the \$1,599,777 in costs for Project 3625 (Federal share \$1,199,833) and require the Town to submit a revised claim with only project expenses that are eligible for Federal disaster assistance, and are supported with adequate documentation, (2) remind the Town of its responsibilities for fiscal controls and that accounting procedures must permit the tracing of funds, records must be maintained to identify the source and application of funds provided for financially assisted activities, accounting records must be supported by such source documentation as canceled checks, paid bills, payrolls, time and attendance records, and contract and subgrant award documents, and (3) thoroughly evaluate for eligibility any costs the Town submits for Project 3625 and disallow costs not in compliance with Federal requirements and FEMA guidelines.

For Further Information:

Contact our Office of Public Affairs at (202)254-4100, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov