

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

FEMA Public Assistance Grant Funds Awarded to City
of Orlando, Florida - Hurricane Frances

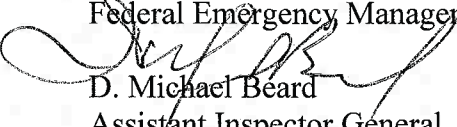




Homeland Security

FEB 22 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 Orlando, Florida — Hurricane Frances*
FEMA Disaster Number 1545-DR-FL
Audit Report Number DA-12-09

We audited public assistance funds awarded to the City of Orlando, Florida, (City) (FIPS Code 095-53000-00). 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 February 1, 2011, the City had received an award of \$6.8 million from the Florida Division of Emergency Management (State), a FEMA grantee, for damages resulting from Hurricane Frances, which occurred in September 2004. The award provided 90% FEMA funding for debris removal activities, emergency protective measures, and permanent repairs to buildings and facilities. The award consisted of 19 large projects and 33 small projects.¹

Our audit focused on \$4.1 million awarded and claimed under five large projects (see Exhibit, Schedule of Projects Audited). The audit covered the period September 3, 2004, to March 9, 2011, during which the City received \$3.7 million of FEMA funds. At the time of our audit, the City had not submitted final claims on project expenditures to the State.

We conducted this performance audit 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

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

upon our audit objective. We conducted this audit 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

The City accounted for and expended FEMA funds according to federal regulations and FEMA guidelines.

DISCUSSION WITH MANAGEMENT AND AUDIT FOLLOWUP

We discussed the audit results with City, State, and FEMA officials during an exit conference held on September 21, 2011. Because the audit did not identify issues requiring further action from FEMA, we consider this audit closed. Significant contributors to this report were David Kimble, Felipe Pubillones, Salvador Maldonado-Avila, Larry Jones, and Angelica Esquerdo.

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. To promote transparency, this report will be posted to our website, with the exception of sensitive information identified by your office.

Should you have questions concerning this report, please contact me at (202) 254-4100 or David Kimble at (404) 832-6701.

cc: Administrator, FEMA
Audit Liaison, FEMA Florida Recovery Office
Audit Liaison, FEMA Region IV
Audit Liaison, FEMA (Job Code G-11-026)
Audit Liaison, DHS

EXHIBIT

**Schedule of Projects Audited
September 3, 2004, to March 9, 2011
City of Orlando, Florida
FEMA Disaster Number DR-1545-FL**

Project Number	Amount Awarded	Amount Claimed
556	\$ 1,453,035	\$ 1,453,035
3545	1,481,709	1,481,709
9118	680,912	680,912
6930	344,761	344,761
8233	162,909	162,909
Total	\$4,123,326	\$4,123,326

ADDITIONAL INFORMATION AND COPIES

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