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County of San Diego, California

Auditor and Controller

Final Report

Firestorm 2007 Expenditures Submitted for FEMA/OES Reimbursement Validation Audit – Department of the Medical Examiner

Office of Audits & Advisory Services

May 2009
Report No. A09-043

COUNTY OF SAN DIEGO

INTER-DEPARTMENTAL CORRESPONDENCE

May 5, 2009

TO: Glenn Wagner, Chief Medical Examiner
Department of the Medical Examiner

FROM: Kenneth J. Mory
Chief of Audits

FINAL REPORT: FIRESTORM 2007 EXPENDITURES SUBMITTED FOR FEMA/OES REIMBURSEMENT VALIDATION AUDIT – DEPARTMENT OF THE MEDICAL EXAMINER

Enclosed is our report on the Firestorm 2007 Expenditures Submitted for FEMA/OES Reimbursement Validation Audit – Department of the Medical Examiner. Although the report includes audit findings, no response is required.

Thank you for the courteousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

If you have any immediate concerns about the report, please contact me at (858) 495-5662.

KENNETH J. MORY
Chief of Audits

AUD:KMW:aps

Enclosure

c: Raymond A. Fernandez, Deputy Chief Administrative Officer, Public Safety Group
Donald F. Steuer, Chief Financial Officer
Tracy M. Sandoval, Assistant Chief Financial Officer/Auditor and Controller
Dorothy Y. Thrush, Group Finance Director, Public Safety Group

INTRODUCTION AND BACKGROUND

Starting on October 21, 2007, seven wildfires burned through the County of San Diego. These fires resulted in over 369,000 acres burned, or 13% of the County's total land mass. Extensive damage was caused to 1,751 homes, 800 outbuildings, 253 structures, 239 vehicles, and two commercial properties.

As declared by the Federal Emergency Management Agency (FEMA), Firestorm 2007's official incident period began October 21, 2007. It was officially closed as of March 31, 2008.

Beginning on October 21, 2007, various departments in San Diego County mobilized employees to assist in multiple disaster-related activities. County departments worked to procure and disseminate materials and to provide disaster assistance to County citizens with personal, property, and/or livestock issues, as well as to provide fire-fighting efforts and other services toward the safety and well-being of displaced and affiliated County residents.

The Director, Office of Emergency Services (OES), has been leading the overall County operational efforts while the Group Finance Director, Public Safety Group, has led the Finance team.

The Chief Financial Officer (CFO) requested that the Office of Audits & Advisory Services (OAAS) conduct an audit of the Department of the Medical Examiner's (DME) Firestorm 2007 related expenditures amounts claimed for reimbursement to:

1) Prevent any material disallowance by the Office of Inspector General (OIG) of amounts claimed; and

2) Provide reasonable assurance to the CFO and County management that the claims and reimbursements are adequately supported.

DME submitted a claim of $8,995 for labor, materials, and contracted costs from the October 2007 wildfires (Firestorm 2007). DME incurred these costs when its staff of thirteen Medical Examiner Investigators investigated the ten fire related deaths. Additional costs include transportation of ten decedents by contracted decedent removal service and material costs of ten body bags. The FEMA project officer assigned CME91 as the tracking number to this Project Worksheet (PW).

AUDIT SCOPE AND LIMITATIONS

The objective of the audit was to ensure that the department has gathered, organized, titled, and referenced documentation supporting cost claims on FEMA PWs and State Damage Survey Reports (DSRs), and that all the supporting documentation will be maintained in a manner that the OIG and other reviewers can easily follow. OAAS' review did not include PW CME92 since the FEMA Project Officer did not recommend the costs to be reimbursed.

The information reviewed and submitted for reimbursement was based on expenditures as reported by the DME. FEMA/OES project officers assigned to the DME made the final eligibility

determination. OAAS did not make eligibility determinations of the expenditures submitted to FEMA/OES for reimbursement.

This audit was conducted in accordance with auditing standards prescribed by the Institute of Internal Auditors, Inc., as required by California Government Code, Section 1236.

METHODOLOGY

OAAS reviewed the supporting documentation for the DME costs submitted to FEMA or State for reimbursement by:

- Verifying that all supporting documentation was organized, titled, and cross-referenced with the line items listed on each PW or DSR;
- Reviewing the Damage Description and Scope of Work (SOW) to verify the types of expenses incurred in the PW or DSR;
- Comparing the amount reported on the PW or DSR to the amounts provided in supporting documentation to ensure the total amounts reconciled and that required documentation was provided;
- Recalculating the total amount claimed to ensure that the amount calculated from the supporting documentation agreed with the total amount listed on the PW or DSR;
- Reviewing payroll records to ensure the overtime hours incurred and rates applied were reconciled with those claimed on the PW, and to determine if overtime and related benefits were correctly calculated and properly supported; and
- Reviewing the expenditures to determine the purchases were correctly calculated and properly supported.

AUDIT RESULTS

OAAS' review of supporting documentation confirmed that expenditures of $8,460 were properly substantiated. However, while verifying the accuracy of the calculations and reconciling supporting records with the amount claimed on the PW/DSR, OAAS identified the following discrepancies:

Finding I: Incorrect Fringe Benefit Rate for Overtime

Overtime labor of $7,935 was claimed in PW CME91. The DME incorrectly calculated fringe benefits using the unemployment rate. Per FEMA guidance, fringe benefits for overtime should include Social Security, Medicare, and Worker's Compensation. CME91 claimed $7,935 of which $7,400 (the correct amount) can be claimed.

Finding II: Hours Claimed Not Related to Firestorm 2007

DME claimed 5.5 hours which was work performed not related to Firestorm 2007. According to FEMA guidance, hours claimed on PW/DSR's should be hours worked on the disaster event. DME has made the necessary adjustments.

The department should maintain all original supporting documentation for the FEMA claims and keep them separate from other documentation.

CONCLUSION

DME is cleared by OAAS to request reimbursement for eligible expenditures of $8,460 from the Firestorm 2007 Trust Fund for PW CME91.

COMMENDATION

The Office of Audits & Advisory Services commends and sincerely appreciates the courteousness and cooperation extended by the Department of the Medical Examiner's officers and staff throughout this audit.

AUDIT TEAM

Jim Pelletier, Senior Audit Manager
Kathleen Whitehead, Auditor I
Geena Balistrieri, Auditor I