



*Final
Report*

County of San Diego, California

Auditor and Controller

Firestorm 2007 Expenditures Submitted for FEMA/OES Reimbursement Validation Audit – Department of Human Resources

Office of **A**udits & **A**dvisory **S**ervices

February 2009
Report No. A09-022



COUNTY OF SAN DIEGO

INTER-DEPARTMENTAL CORRESPONDENCE

April 22, 2009

TO: Carlos Arauz, Director
Department of Human Resources

FROM: Kenneth J. Mory
Chief of Audits

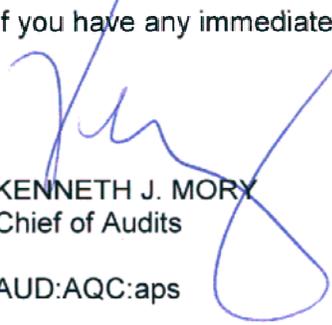
**FINAL REPORT: FIRESTORM 2007 EXPENDITURES SUBMITTED FOR FEMA/OES
REIMBURSEMENT VALIDATION AUDIT – DEPARTMENT OF HUMAN RESOURCES**

Enclosed is our report on the Firestorm 2007 Expenditures Submitted for FEMA/OES Reimbursement Validation Audit – Department of Human Resources. The report includes audit findings and recommendations.

We have reviewed your responses and have attached them to the audit report. The Office of Audits & Advisory Services' reply to the department's response is also included.

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:AQC:aps

Enclosure

c: Donald F. Steuer, Chief Financial Officer
Tracy M. Sandoval, Assistant Chief Financial Officer/Auditor and Controller
Ebony Shelton, Group Finance Director, Finance and General Government 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 Human Resources' (DHR) 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.

DHR submitted a claim of \$6,501 resulting from the October 2007 wildfires (Firestorm 2007). DHR incurred these costs when it deployed employees to provide general support at the Emergency Operation Center and Reverse 911-211 call centers. Based on their review of supporting documentation for this claim, FEMA project officers determined that approximately \$6,469 incurred for overtime labor and \$32 incurred for mileage were eligible for reimbursement under the Robert T. Stafford Act and submitted a project worksheet (PW) for these costs. The FEMA project officer assigned DHR23 as the tracking number to this 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.

The information reviewed and submitted for reimbursement was based on expenditures as reported by DHR. FEMA/OES project officers assigned to DHR 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 DHR costs submitted to FEMA for reimbursement by:

- Comparing the amounts reported on the PW to the amounts provided in the supporting documentation to ensure that the total amounts were 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;
- Verifying employee overtime eligibility based on job codes to ensure that the employees were not compensated for overtime if they were not eligible;
- Reviewing payroll records to ensure the overtime hours worked and the rates applied were reconciled with those claimed on the PW, and to determine if overtime costs and related benefits were correctly calculated and properly supported; and
- Reviewing the mileage reports to determine the amount claimed on the PW was correctly calculated and properly supported.

AUDIT RESULTS

OAAS' review of supporting documentation confirmed that expenditures of \$1,971 were properly substantiated. However, while verifying the accuracy of the calculations and reconciling supporting records with the amount claimed on the PWs, OAAS identified the following discrepancies:

Finding I: FEMA OT Costs were Not Properly Recorded or Calculated

Based on OAAS' review, the supporting documentation does not provide adequate support for the overtime (OT) labor costs of \$4,530 claimed in the PW as follows:

- Out of the population size of 16, 12 employees' FEMA OT costs were charged to a non-FEMA project alias in Kronos. Hand-written corrections were made at the bottom of Kronos reports to charge the OT costs to the FEMA project alias. However, no such corrections were made in Kronos;
- Three employees' OT costs were calculated using incorrect hourly rates, resulting in an overstatement of \$308; and

- Six and one-half hours OT costs were claimed on the PW for one employee, but only five OT hours were indicated by hand-written correction. This overstated labor cost by \$76.

Finding II: Supporting Paperwork was Not Properly Documented

- The hand-written corrections at the bottom of the Kronos reports were missing approvals from the employees, their designated supervisors and dates. The hand-written corrections should have included signature approvals from employees and their designated supervisors including dates. However, six corrections did not have signatures and dates while the other six corrections had signatures but no dates.

RECOMMENDATIONS

OAAS recommends that the \$4,530 that is not properly documented should be addressed in the FEMA true up process.

As a result, DHR is cleared by OAAS to request reimbursement for eligible expenditures from the Firestorm 2007 Trust Fund for project worksheet DHR23 for the amount of \$1,971.

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

COMMENDATION

The Office of Audits & Advisory Services commends and sincerely appreciates the courtesousness and cooperation extended by the DHR officers and staff throughout this audit.

AUDIT TEAM

Jim Pelletier, Senior Audit Manager
Angela Chen, Auditor I
Geena Balistrieri, Auditor I

DEPARTMENT RESPONSE



County of San Diego

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March 18, 2009

TO: Kenneth J. Mory, Chief of Audits
Auditor & Controller

FROM: Carlos G. Arauz, Director
Department of Human Resources

RECEIVED

MAR 27 2009

OFFICE OF AUDITS &
ADVISORY SERVICES

FIRESTORM 2007 AUDIT RESPONSE

I have had the opportunity to review the draft audit report and my response is outlined below. For ease of reading, I have incorporated the audit recommendation followed by my response.

"FINDING I: FEMA OT costs were not properly recorded or calculated

Based on OAAS' review, the supporting documentation does not provide the adequate support for the overtime (OT) labor costs of \$4,530 claimed in the PW as follows:

- Out of the population size of 16, 12 employees' FEMA OT costs were charged to a non-FEMA project alias in Kronos. Hand-written corrections were made at the bottom of the Kronos reports to charge the OT costs to the FEMA project alias. However, no such corrections were made in Kronos."

Response:

These 12 employees charged their FEMA OT to Compensatory Time. They did not receive paid time.

Handwritten narrative/corrections were recorded at the bottom of the Kronos timesheets for the internal purpose of completing the FEMA/Force Account Labor Spreadsheet required by Mr. Edward Pao, FEMA Project Officer.

Compensatory Time was charged to the default DHR alias. It appears that employees were not informed to record these hours to the Firestorm 2007 alias. Prior year

SD SHRM 2005 Workplace Excellence Award Winner

FIRESTORM AUDIT RESPONSE

March 13, 2009

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adjustments to the Kronos system are not possible subsequent to fiscal year end 2007-08 for unused Compensatory Time balances.

I believe the \$4,222 should not be part of the FEMA true up because DHR was able to provide supporting documentation for these Compensatory Time hours and the cost reallocation was made in the ORACLE PNG Module.

- **"Three employees' OT costs were calculated using incorrect hourly rates, resulting in an overstatement of \$308."**

Response:

I concur with your findings.

Christina Rosenmeier, had 12 hours and Mavette Sadile had 6.5 reported to FEMA at a rate of one and one-half times salary when it should have been reported as straight time. Erica Bayles' hourly rate was incorrect.

- **"Six and one-half hours of OT costs were claimed on the PW for one employee, but only five OT hours were indicated by hand-written correction. This overstated labor cost by \$76."**

Response:

I concur with your findings; however, it appears to have been human error that five hours of OT were recorded instead of six and one-half hours of OT.

Please remember that handwritten narrative/corrections were recorded at the bottom of the Kronos timesheets for the internal purpose of completing the FEMA/Force Account Labor Spreadsheet required by Mr. Edward Pao, FEMA Project Officer.

"FINDING II:

The hand-written corrections at the bottom of the Kronos reports were missing approvals from the employees, their designated supervisors and dates. The hand-written corrections should have signature approvals from employees and their designated supervisors including dates. However, six corrections did not have signatures and dates while the other six corrections had signatures but no dates."

Response:

All print-outs of Kronos time sheets contain dates and have the appropriate approval from the employees and their designated supervisors.

OFFICE OF AUDITS & ADVISORY SERVICES'
REPLY TO THE DEPARTMENT'S RESPONSE

Finding I: OAAS appreciates the additional efforts made by DHR in correcting OT labor costs in the Oracle PNG module. By re-classifying OT labor costs to the correct FEMA project alias, DHR is better prepared for a possible future audit from OIG and/or State auditors. We recommend that DHR include the Oracle OT labor costs correction as additional supporting documentation for the external auditors.

Finding II: OAAS appreciates the additional efforts made by DHR in completing the hand-written corrections with approvals and dates. While the Kronos print-outs do not meet FEMA's documentation requirements and cannot be cleared by OAAS, they do provide some support for the expenses incurred. We recommend that DHR include the complete hand-written corrections along with the corrections made in the Oracle PNG module for external auditors.