



*Final
Report*

County of San Diego, California

Auditor and Controller

Firestorm 2007 Expenditures Submitted for FEMA/OES Reimbursement Validation Audit – Air Pollution Control District

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

December 2008
Report No. A09-013



COUNTY OF SAN DIEGO

INTER-DEPARTMENTAL CORRESPONDENCE

December 29, 2008

TO: Robert Kard, Director
Air Pollution Control District

FROM: Kenneth J. Mory
Chief of Audits

FINAL REPORT: FIRESTORM 2007 EXPENDITURES SUBMITTED FOR FEMA/OES
REIMBURSEMENT VALIDATION AUDIT – AIR POLLUTION CONTROL DISTRICT

Enclosed is our report on the Firestorm 2007 Expenditures Submitted for FEMA/OES Reimbursement Validation Audit – Air Pollution Control District. In our opinion, the Air Pollution Control District has sufficient and appropriate documentation supporting the amounts claimed on the FEMA Project Worksheet.

As there are no material findings in the report, no audit 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:GXB:aps

Enclosure

c: Chandra L. Wallar, Deputy Chief Administrative Officer, Land Use and Environment Group
Donald F. Steuer, Chief Financial Officer
Tracy M. Sandoval, Assistant Chief Financial Officer/Auditor and Controller
Kathleen A. Flannery, Group Finance Director, Land Use and Environment 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 the County of San Diego 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 requested that the Office of Audits & Advisory Services (OAAS) conduct an audit of the Air Pollution Control District's (APCD) Firestorm 2007 related expenditures 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.

APCD submitted a claim of \$15,113 for labor costs incurred as a result of the October 2007 wildfires (Firestorm 2007). APCD incurred these costs when it deployed several employees to assist in County efforts to protect the health and safety of the public by performing air pollution analyses, providing real-time briefing to the OES on the weather outlook for the fires, responding to media requests on the smoke and air quality, and assisting evacuation centers. Based on their review of supporting records for this claim, FEMA project officers determined that approximately \$13,858 incurred for overtime labor and \$1,254 incurred for related fringe benefits were eligible for reimbursement under the Robert T. Stafford Act and submitted a \$15,113 project worksheet (PW) for these costs. The FEMA project officer assigned APCD7 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 Project Worksheets (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 the APCD. FEMA/OES project officers assigned to APCD 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 APCD costs submitted to FEMA or the State for reimbursement by:

- Comparing the amount reported on the PW to the amount provided in supporting documentation provided 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.
- Reviewing timesheets to determine if employees incurred overtime costs. For those who did, we compared their class code to their overtime eligibility to ensure the employees were not awarded overtime compensation if they were not eligible.
- Identifying seven employees who received overtime compensation for disaster-related duties and reviewing the payroll records for these employees to ensure that overtime and related benefits were correctly calculated and properly supported.

AUDIT RESULTS

OAAS' review of supporting documentation confirmed that the reported number of labor hours incurred from disaster-related activities was properly substantiated.

However, while verifying the accuracy of labor overtime (OT) calculations and reconciling supporting records with the amount claimed on the PW, OAAS identified two discrepancies:

- Out of twenty employees' overtime labor cost, one was calculated using incorrect hourly rate. This overstated the overtime labor costs by \$302.
- The hours recorded on FEMA's Force Account Labor Summary Record did not reconcile with the supporting documentation provided from APCD. OAAS staff reviewed the detail, noting that the differences were caused by FEMA's Project Officer erroneously inputting the wrong amount of overtime hours. Due to this error, the APCD claim is understated by \$54.

These two errors combined result in a net overstatement of \$248.

CONCLUSION

OAAS believes that the net overstatement noted above is immaterial and recommends it be addressed in the FEMA true up process.

As a result, APCD is cleared by OAAS to request reimbursement for eligible expenditures from the Firestorm 2007 Trust Fund for the following Project Worksheet: APCD7 for the total amount of \$14,866.

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 courteousness and cooperation extended by the Air Pollution Control District officers and staff throughout this audit.

AUDIT TEAM

Jim Pelletier, Sr. Audit Manager
Geena Balistreri, Auditor I