

APPENDICES

Appendix 1	Audit Reports with Questioned Costs and Funds Put to Better Use
Appendix 2	Compliance—Resolution of Reports and Recommendations
Appendix 3	Management Reports Issued
Appendix 4	Financial Assistance Audit Reports Issued
Appendix 5	Schedule of Questioned Costs—Amounts Due and Recovered

Definitions

Questioned costs

Auditors commonly question costs arising from an alleged violation of a provision of a law, regulation, grant, cooperative agreement or contract. A questioned cost is a finding in which, at the time of the audit, a cost is not supported by adequate documentation or is unreasonable or unallowable. A funding agency is responsible for making management decisions on questioned costs, including an evaluation of the findings and recommendations in an audit report. A management decision against the auditee would transform a questioned cost into a disallowed cost.

Unsupported cost

It is a cost that is not supported by adequate documentation.

Funds put to better use

Audits can identify ways to improve the efficiency of programs, resulting in cost savings over the life of an award. Unlike questioned costs, the auditor instead recommends methods for making the most efficient use of Federal dollars such as reducing outlays, deobligating funds or avoiding unnecessary expenditures.



APPENDIX 1: AUDIT REPORTS WITH QUESTIONED COSTS AND FUNDS PUT TO BETTER USE

QUESTIONED COSTS

Report Category	Number	Questioned Costs	Unsupported Costs
A. Reports pending management decision at the start of the reporting period	27	\$19,189,000	\$495,481
B. Reports issued/processed during the reporting period with questioned costs	37	\$39,680,675	\$28,013,706
Total Reports (A+B)	64	\$58,869,675	\$28,509,187
C. Reports for which a management decision was made during the reporting period	26	\$17,920,630	\$617,958
(1) disallowed costs	25	\$8,747,028	\$573,205
(2) accepted costs	6	\$9,173,602	\$44,753
D. Reports put into appeal status during period	0	\$0	\$0
E. Reports pending a management decision at the end of the reporting period	38	\$40,949,045	\$27,891,229
F. Reports for which no management decision was made within six months of issuance	7	\$2,621,952	\$52,757

Notes and Explanations:

Management Decision occurs when management informs the OIG of its intended action in response to a recommendation and the OIG determines that the proposed action is acceptable.

Accepted Cost is previously questioned cost accepted in a management decision as an allowable cost to a Government program. Before acceptance, the OIG must agree with the basis for the management decision.

In Category C, lines (1) and (2) do not always equal the total on line C since resolution may result in values greater than the original recommendations.

APPENDIX 1: AUDIT REPORTS WITH QUESTIONED COSTS AND FUNDS PUT TO BETTER USE

FUNDS PUT TO BETTER USE

Report Category	Number	Amount
A. Reports pending management decision at the start of the reporting period	7	\$185,137,797
B. Reports issued during this reporting period	6	\$2,273,903
Total Reports (A+B)	13	\$187,411,700
C. Reports for which a management decision was made during the reporting period	3	\$145,539,741
(1) Value of recommendations agreed to by management	2	\$439,741
(2) Value of recommendations not agreed to by management	2	\$145,100,000
D. Reports put into the appeal status during the reporting period	0	\$0
E. Reports pending a management decision at the end of the reporting period	9	\$41,702,409
F. Reports for which no management decision was made within six months of issuance	4	\$39,432,014

Explanation:

In Category C, lines (1) and (2) do not always equal the total on line C since resolution may result in values greater than the original recommendations.

**APPENDIX 2: COMPLIANCE—RESOLUTION OF REPORTS
AND RECOMMENDATIONS**

COMPLIANCE

**1. Recommendations in Reports more than 6 months old for which
a management decision is still pending.**

<u>3/31/01</u>	<u>9/30/01</u>
Reports / Recommendations	Reports / Recommendations
18 / 55	26 / 126

2. Current Inventory

OPEN REPORTS

<u>3/31/01</u>	<u>Current Period</u>	<u>9/30/01</u>
Open	Issued / Closed	Open
96	68 / 37	127

ACTIVE RECOMMENDATIONS

<u>3/31/01</u>	<u>Current Period</u>	<u>9/30/01</u>
Open	Issued / Closed	Active
376	296 / 125	547

Notes and Explanations:

Open reports are those containing one or more recommendations for which a management decision or final action is pending.

Active Recommendations are recommendations awaiting a management decision or final action.

Final Action is the completion of all management actions—as described in a management decision—with respect to audit findings and recommendations.

APPENDIX 3: MANAGEMENT REPORTS ISSUED
(In thousands)

MANAGEMENT REPORTS

Program Office/Report Subject	Report Number	Date Issued	Funds To Be Put To Better Use
FEDERAL INSURANCE AND MITIGATION			
1. Status of Funds Awarded Under the Hazard Mitigation Grant Program and Other Project Management Issues	I-03-01	7/01	\$0
2. Coastal Barrier Resources System: FEMA's Management Controls Governing the Prohibition of Flood Insurance	I-04-01	9/01	\$0
3. Project Impact Foundation	H-08-01A	4/01	\$0
4. The National Flood Insurance Program	H-13-01	6/01	\$0
5. Project Impact Summit 2000	H-20-01	8/01	\$0
INFORMATION TECHNOLOGY SERVICE			
6. Collection of Personal Information About Internet Web Site Visitors	H-08-01	5/01	\$0
7. Government Information Security Reform Act	H-21-01	9/01	\$0
ADMINISTRATION AND RESOURCE PLANNING			
8. Controls Over Intergovernmental Personnel Act Agreement	H-09-01	5/01	\$0
9. Human Resources Directorate Personnel Act Record Keeping	H-10-01	5/01	\$0
10. Acceptance of Gifts	H-11-01	5/01	\$0
11. Representation Fund	H-12-01	5/01	\$0
12. Annual Awards Ceremony	H-14-01	6/01	\$0
13. Policies and Procedures Governing the Use of Aircraft	H-15-01	7/01	\$0
14. Contract Administration	H-16-01	7/01	\$0
15. Use of Government Purchase Cards	H-17-01	7/01	\$0

APPENDIX 3: MANAGEMENT REPORTS ISSUED (cont.)
(In thousands)

Program Office/Report Subject	Report Number	Date Issued	Funds To Be Put To Better Use
16. Compliance with Travel Regulations	H-18-01	7/01	\$0
17. Government Travel Accounts	H-19-01	8/01	\$0
18. Management Letter Fiscal Year 2000 Financial Statements	H-22-01	9/01	\$0

CHEMICAL SAFETY BOARD

19. Government Information Security Reform Act	HC-01-01	9/01	\$0
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Total **\$0**

APPENDIX 4: FINANCIAL ASSISTANCE AUDIT REPORTS ISSUED

FINANCIAL ASSISTANCE

Report Number	Date Issued	Auditee	Questioned Costs	Unsupported	Funds Put To Better Use
1. C-02-01	4/01	City of Pine Bluff, Arkansas	\$610,837	\$0	\$0
2. C-03-01	7/01	County of Los Alamos, New Mexico	\$0	\$0	\$0
3. E-26-01	4/01	Kentucky National Guard	\$184,104	\$122,589	\$0
4. E-27-01	4/01	City of Covington, Kentucky	\$47,742	\$0	\$46,778
5. E-28-01	4/01	Municipality of Gurabo, Puerto Rico	\$221,370	\$7,138	\$0
6. E-29-01	4/01	Nashville Electric Services, Kentucky	\$42,761	\$943	\$0
7. E-30-01	5/01	Dekalb County, Georgia	\$365,873	\$0	\$3,508
8. E-31-01	5/01	Plateau Electrical Cooperative, Tennessee	\$0	\$0	\$0
9. E-32-01	6/01	New Hanover County, North Carolina	\$0	\$0	\$0
10. E-33-01	6/01	Puerto Rico Public Housing Administration	\$5,580,529	\$110,803	\$0
11. E-34-01	6/01	City of Pascagoula, Mississippi	\$2,927	\$0	\$0
12. E-35-01	6/01	Lenoir County, North Carolina	\$22,498	\$0	\$219,358
13. E-36-01	7/01	Redbank Valley School District, Pennsylvania	\$58,844	\$55,361	\$0
14. E-37-01	8/01	Covington County, Alabama	\$76,988	\$0	\$0
15. E-38-01	8/01	Covington County, Alabama	\$0	\$0	\$0
16. E-39-01	8/01	Jackson County, Mississippi	\$10,144	\$0	\$0
17. E-40-01	8/01	City of Mobile, Alabama	\$94,901	\$0	\$0
18. E-41-01	8/01	City of Burlington, Vermont	\$16,982	\$4,787	\$0
19. E-42-01	8/01	State of New York Administration of Disaster Assistance Funds	\$134,878	\$0	\$0
20. E-43-01	9/01	Municipality of Loiza, Puerto Rico	\$129,470	\$18,788	\$21,011
21. W-17-01	4/01	State of Oklahoma Administration of Disaster Assistance Funds	\$132,157	\$57,113	\$0
22. W-18-01	4/01	Management of FEMA Disaster Grants, Region VI	\$0	\$0	\$0
23. W-19-01	4/01	Nevada Division of Forestry	\$192,712	\$174,291	\$0

APPENDIX 4: FINANCIAL ASSISTANCE AUDIT REPORTS ISSUED (cont.)

Report Number	Date Issued	Auditee	Questioned Costs	Unsupported	Funds Put To Better Use
24.	W-20-01 5/01	Maricopa County Flood Control District, Arizona	\$0	\$0	\$0
25.	W-21-01 5/01	North Latah County Highway District, Idaho	\$0	\$0	\$0
26.	W-22-01 5/01	Inland Power & Light Company, Washington	\$6,521	\$0	\$0
27.	W-23-01 5/01	City of Santa Barbara, California	\$5,866	\$0	\$0
28.	W-24-01 5/01	City and County of San Francisco, California	\$2,036,163	\$46,933	\$0
29.	W-25-01 6/01	Lane County, Oregon	\$25,458	\$14,693	\$0
30.	W-26-01 7/01	California Seismic Safety Commission	\$234,496	\$5,730	\$0
31.	W-27-01 8/01	San Francisco Airport Commission	\$274,533	\$4,414	\$0
32.	W-28-01 8/01	County of Santa Cruz, California	\$128,618	\$109,608	\$3,083
33.	W-29-01 8/01	State of Nevada Administration of Disaster Assistance Funds	\$0	\$0	\$0
34.	W-30-01 8/01	Management of FEMA Disaster Grants. Region IX	\$253,000	\$0	\$0
35.	W-31-01 8/01	Columbia Irrigation District, Washington	\$794,006	\$0	\$0
36.	W-32-01 9/01	Government of Guam, Department of Military Affairs	\$200,467	\$20,306	\$0
37.	W-33-01 9/01	Government of Guam, Environmental Protection Agency	\$21,982	\$21,982	\$1,980,165
38.	W-34-01 9/01	California Institute of Technology	96,042	70,735	\$0
Total			\$12,002,869	\$846,214	\$2,273,903

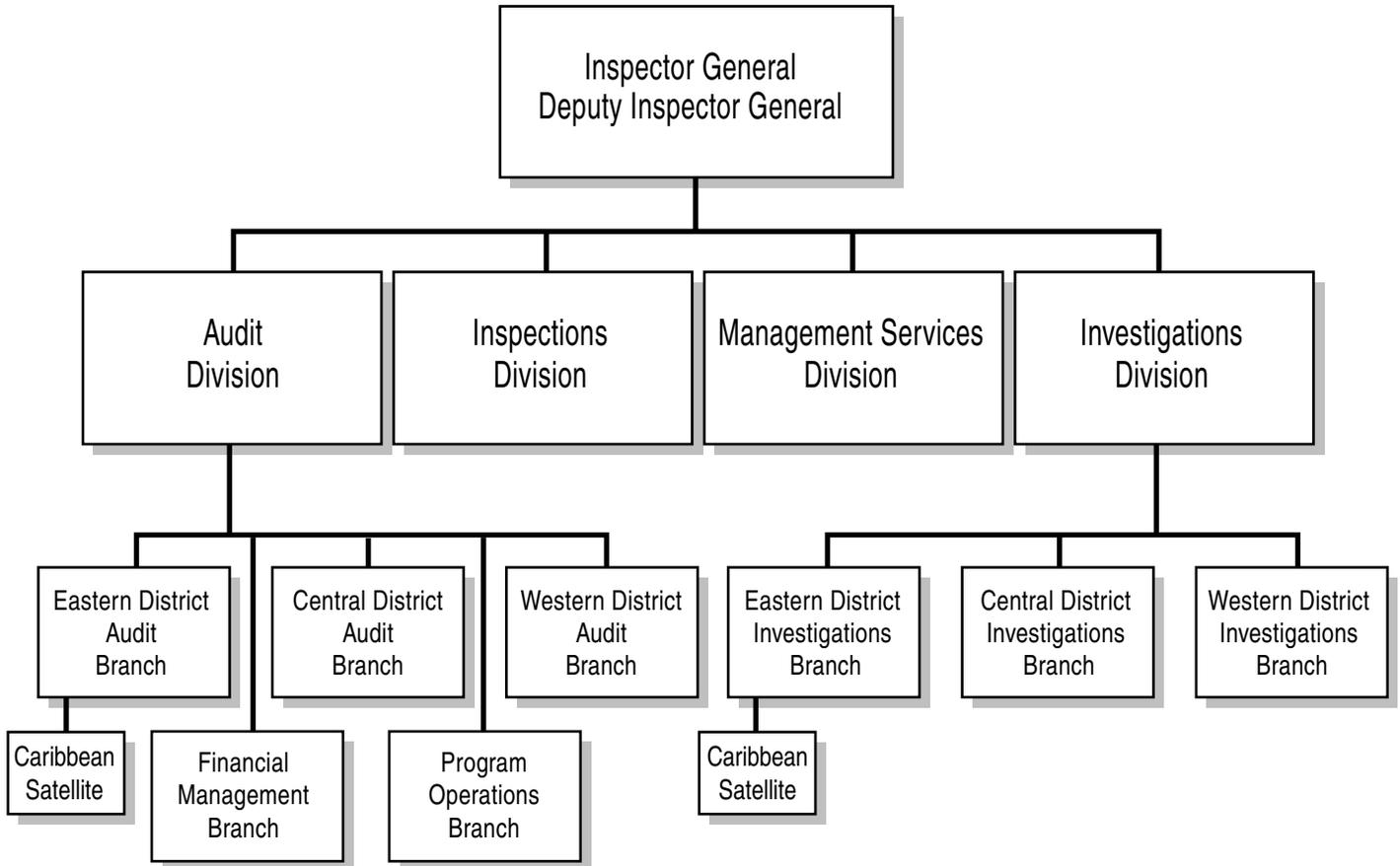
APPENDIX 5: SCHEDULE OF AMOUNTS DUE AND RECOVERED**DUE AND RECOVERED**

	Report Number	Date Issued	Auditee	Amount Due	Recovered Costs
1.	E-11-01	1/01	West Virginia Department of Transportation	\$0	\$8,953
2.	E-12-01	2/01	Virginia Department of Transportation	\$0	\$26,153
3.	E-13-01	2/01	Virginia Department of Transportation	\$0	\$44,369
4.	E-16-01	2/01	Municipality of Loiza, Puerto Rico	\$0	\$315,239
5.	E-17-01	2/01	West Virginia Department of Transportation	\$0	\$28,164
6.	E-18-01	2/01	Florida Department of Military Affairs	\$0	\$59,308
7.	E-19-01	2/01	Florida Department of Military Affairs	\$0	\$21,689
8.	E-20-01	3/01	Elizbethton Electric System, Tennessee	\$20,116	\$0
9.	E-29-01	4/01	Nashville Electric Services, Kentucky	\$0	\$42,761
10.	E-30-01	5/01	Dekalb County, Georgia	\$0	\$365,873
11.	E-42-01	8/01	State of New York Administration of Disaster Assistance Funds	\$134,878	\$0
12.	E-03-00	10/99	City of Baltimore, Maryland	\$0	\$17,250
13.	E-05-00	11/99	Georgia Board Regents	\$6,593,956	\$0
14.	E-36-00	7/00	Ohio National Guard	\$0	\$106,225
15.	E-40-00	8/00	City of Pensacola, Florida	\$0	\$15,000
16.	E-32-99	8/99	Puerto Rico Department of Education	\$0	\$413,485
17.	E-33-99	6/99	Puerto Rico Department of Education	\$0	\$69,148
18.	E-33-98	3/98	Santa Rosa County, Florida	\$0	\$407,314
19.	W-03-01	6/01	Saline County, Arkansas	\$0	\$4,728
20.	W-05-01	1/01	California Department of Forestry and Fire Protection	\$50,336	\$0
21.	W-06-01	2/01	California Department of Transportation	\$0	\$345,063
22.	W-08-01	2/01	State of Kansas Administration of Disaster Assistance Funds	\$0	\$100,410
23.	W-10-01	2/01	Storey County, Nevada	\$0	\$46,193

APPENDIX 5: SCHEDULE OF AMOUNTS DUE AND RECOVERED (cont.)

Report Number	Date Issued	Auditee	Amount Due	Recovered Costs
24.	W-15-01 3/01	Cam Wal Electric Cooperative, Inc. South Dakota	\$4,136	\$0
25.	W-16-01 3/01	Pierce County, North Dakota	\$0	\$1,949
26.	W-19-01 4/01	Nevada Division of Forestry	\$0	\$192,712
27.	W-22-01 5/01	Inland Power and Light Company, Spokane, Washington	\$0	\$6,521
28.	W-22-00 5/00	McHenry County, North Dakota	\$101,691	\$0
29.	W-32-00 6/00	Los Angeles City Police Department, California	\$0	\$2,787,895
30.	W-40-00 9/00	Monterey County, California	\$0	\$110,605
31.	W-04-99 11/98	Los Angeles Unified School District, California	\$0	\$155,873
32.	W-19-99 3/99	Culver City Senior Citizen Housing Corporation, California	\$0	\$35,568
33.	W-21-99 3/99	Los Angeles Senior Citizen Housing Corporation, California	\$0	\$138,177
Total			\$6,905,113	\$5,866,625

Federal Emergency Management Agency Office of Inspector General



OIG Points of Contact

Inspector General	(202) 646-3910
PCIE Liaison	(202) 646-3140
Audit Division	(202) 646-3911
Management Services Division	(202) 646-3140
Inspections Division	(202) 646-3911
Investigations Division	(202) 646-3894
GAO/DCAA Liaison	(202) 646-3221
Single Audit Liaison	(202) 646-3221

Requests for Reports:

Telephone	(202) 646-4166
E-Mail	rita.rios@fema.gov

OIG Hotline:

Telephone	(1-800) 323-8603
Spanish Telephone	(1-800) 794-6690
Internet E-mail hotline.htm	http://www.fema.gov/ig/hotline.htm

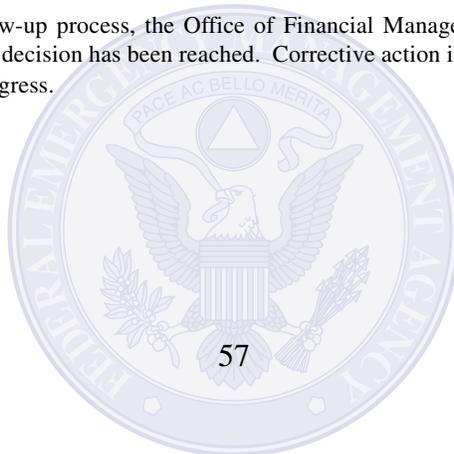
OIG Internet Home Page <http://www.oig.doc.gov>

INDEX OF REPORTING REQUIREMENTS

The specific reporting requirements prescribed in the Inspector General Act of 1978, as amended in 1988, are listed below with a reference to the pages on which they are addressed.

Requirements	Pages
Section 4(a)(2) Review of Legislation and Regulations	27
Section 5(a)(1) Significant Problems, Abuses, and Deficiencies	4-22
Section 5(a)(2) Recommendations with Significant Problems	4-22
Section 5(a)(3) Prior Recommendations Not Yet Implemented ¹	
Section 5(a)(4) Prosecutive Referrals	None
Section 5(a)(5) & Summary of Instances Where Section 6(b)(2) Information Was Refused	None
Section 5(a)(6) Listing of Audit Reports	36-42
Section 5(a)(7) Summary of Significant Audits	4-22
Section 5(a)(8) Reports with Questioned Costs	33, 38-40
Section 5(a)(9) Reports Recommending That Funds Be Put to Better Use	34, 38-40
Section 5(a)(10) Summary of Reports Where No Management Decision Was Made	33-40
Section 5(a)(11) Revised Management Decisions	None
Section 5(a)(12) Management Decision Disagreements	None

¹ In FEMA's audit follow-up process, the Office of Financial Management monitors and reports on corrective actions after a decision has been reached. Corrective action information is transmitted in the Director's Report to Congress.



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**Federal Emergency Management Agency
Office of Inspector General
500 C Street, S. W., Room 506
Washington, D.C. 20472**

Attention: James Daniels

Your name:

Your daytime telephone number;

Your suggestion(s) for improvement: *(please include additional sheets if needed)*

If you would like to discuss your suggestion(s) with a staff member of the Office of Inspector General or would like more information, please call Mr. Daniels at (202) 646-3221, or contact him on the Internet at: [**james.daniels@fema.gov**](mailto:james.daniels@fema.gov)

