



Homeland Security

April 3, 2006

MEMORANDUM FOR: Scott Moms
Director,
FEMA's Florida Long Term Recovery Office
Orlando, Florida

FROM: *C. David Kimble*
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Gulf Coast Audit Manager

SUBJECT: *Review of Hurricane Wilma Activities
Solid Waste Authority of Palm Beach County, Florida
FEMA Disaster No. 1609-DR-FL
Report Number GC-FL-06-30*

We performed an interim review of contract costs associated with Hurricane Wilma debris removal activities for the Solid Waste Authority of Palm Beach County, Florida. The objectives of the review were to determine whether the Authority (1) was properly accounting for disaster-related costs and whether such costs were eligible for funding under FEMA's public assistance program, and (2) let contracts in accordance with federal procurement standards and FEMA guidelines, and had adequate procedures for monitoring the activities of the contractors.

The Authority received an award of \$59.6 million from the Florida Department of Community Affairs, a FEMA grantee, for debris removal activities. The award provided 75 percent FEMA funding for three projects. The Authority let 13 contracts under these projects, as follows:

Project Number	Approved Scope of Work	Amount Awarded	Number of Contracts
5	Debris Collection, Hauling, and Disposal, and Contractor Monitoring	\$56,758,640	9
6	Debris Collection, Hauling, and Disposal, and Contractor Monitoring	1,811,376	3
236	Contractor Monitoring	985,390	1
Total		\$59,555,406	13

As of February 8, 2006, the cut-off date of our review, work under the FEMA projects was ongoing. The Authority had recorded expenditures of \$19 million under the projects and had received \$8,409,667 FEMA funds.

To achieve our objective, we analyzed the Authority's accounting system and reviewed the Authority's contracting practices, contract documents, and monitoring controls. We also interviewed FEMA, Authority, and contractor officials.

We concluded that the Authority had an effective system for accounting for disaster-related costs. A separate cost account had been established to record project expenditures and accounting entries could be systematically traced to supporting source documents. Moreover, the Authority procured debris removal contracts competitively, maintained detailed contract files, and had adequate monitoring procedures for reviewing and approving the activities and billings of the contractors. Because this report contains no recommendations, no actions are required.

We conducted this review in conjunction with the President's Council on Integrity and Efficiency (PCIE) as part of its examination of relief efforts provided by the Federal government in the aftermath of Hurricanes Katrina and Rita. As such, we have forwarded a copy of the report to the PCIE Homeland Security Working Group, which is coordinating Inspectors General review of this important subject.

The nature and brevity of this assignment precluded the use of our normal audit protocols; therefore, this review was not conducted in accordance with generally accepted government auditing standards. Had we followed such standards, other matters might have come to our attention.

Auditors Oscar Andino, Vilmarie Serrano, and Danny Helton performed this review. Should you have any questions concerning this report, please contact me at (770) 220-5240.

cc: Under Secretary for Management
Acting Director, FEMA
Chief Financial Officer, DHS
Chief Procurement Officer, DHS
Audit Liaison, DHS
Chief Financial Officer, FEMA
Senior Procurement Officer, FEMA
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Deputy Director, Gulf Coast Recovery
Florida State Coordinating Officer
FEMA Regional Director, Region IV