

Association of Government Accountants – Austin Chapter
Equipping Local Jurisdictions for Disaster Recovery Program Compliance
April 11, 2013 Luncheon

Chapter News:

- AGA Austin Chapter collected 86 purses for the 6th Annual Handbags for Hope event.
- Contact Debi Weyer if you have luncheon topic suggestions.
- Tennyle Walker was elected as President-Elect by a show of hands and verbal votes. There were no objections or and no one chose to run against her.

Speaker: Dade Dowdle

Dade Dowdle is a manager based in HORNE's Houston, Texas office. He manages relationships with the Texas jurisdictions that HORNE works with, tracks changes to federal and state regulations related to the Public Assistance program, and provides insight into the interpretation of and relationships between the various regulations governing the Public Assistance program.

Luncheon Highlights:

- A. Public Assistance Program Close-Out Audit
 1. The Public Assistance Program close-out audit is not an A-133 or a financial statement audit. These audits are regulatory compliance reviews designed to verify a grant recipient's compliance with Public Assistance Program guidelines.
 2. The Federal Emergency Management Agency (FEMA) determines when a disaster is closed out, and has the discretion of reimbursing costs that FEMA finds reasonable.
- B. Common Areas of Non-Compliance
 1. There are four common areas of non-compliance: contracting practices, unfulfilled insurance requirements, unsupported costs, and contract monitoring.
 2. The largest area of non-compliance is with contracting practices. Bids are required before contract performance can take place (44 C.F.R. 13.36(c)(1)); however, during a disaster, it is impractical to stop performance to collect contract bids. The key way jurisdictions can avoid this frequent audit finding is to establish pre-disaster contracts for disaster-related services.
 3. Costs claimed under Federal programs must have supporting documentation; otherwise, it is considered an unsupported cost. Even programs such as the PA Pilot Program and Sandy Recovery Improvement Act require supporting documentation.
 4. For unsupported costs that FEMA will not cover, how a debt is established depends on who provided the grant to the grantee. If the state provided the grant to the grantee, then the state will ultimately owe the debt. If the grantee received the grant from a Federal agency, then the grantee will be responsible for the debt.
 5. All records must be kept for three years after a disaster close-out.