



Report In Brief

U.S. Department of Commerce Office of Inspector General

July 2009



Why We Did this Review

On September 30, 2007, the National Telecommunications and Information Administration (NTIA) awarded a \$19,672,287 Public Safety Interoperable Communications (PSIC) grant to the state of Louisiana to enhance interoperable emergency communications. NTIA required a minimum 20 percent matching share from nonfederal sources for the acquisition and deployment of communications equipment, and management and administration costs. The award period runs from October 1, 2007, to September 30, 2010, by which time all funds must be expended. The governor of Louisiana designated the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) as Louisiana's state administrative agency to apply for and administer PSIC funds.

We audited costs claimed by GOHSEP to determine whether the recipient complied with NTIA PSIC grant guidelines and the Department of Homeland Security (DHS) award terms and conditions.

Background

The Digital Television and Public Safety Act of 2005 authorized NTIA, in consultation with the DHS, to implement the PSIC program—a \$1 billion one-time, formula-based matching grant program intended to enable public safety agencies to establish interoperable emergency communications systems using reallocated radio spectrum.

The Implementing Recommendations of the 9/11 Commission Act of 2007 requires the Commerce Inspector General to conduct financial audits, over 4 years, of a representative sample of at least 25 states or territories receiving PSIC grants. The Louisiana grant program is our first audit under this requirement.

National Telecommunications and Information Administration

Louisiana Public Safety Interoperable Communications Grant PSIC Award No. 2007-GA-H7-0014 (DEN-19427)

What We Found

Our audit covered the award period of October 1, 2007, through December 31, 2008, during which time GOHSEP claimed total costs of \$7,749,964. In general, we found GOHSEP to be in compliance with requirements and on track to complete the project on time.

Specifically, GOHSEP has

- prepared an investment justification describing how the grant funds would be used to improve interoperable communications and ensure interoperability with other public safety agencies. It anticipates completing all investments on schedule by the September 30, 2010, PSIC program deadline;
- met the minimum 20 percent matching share requirement in place from nonfederal sources for acquiring and deploying interoperable equipment, and managing and administering the projects, as required by The Digital Television Transition and Public Safety Act, the *PSIC Program Guidance and Application Kit*, and the award's special conditions;
- complied with grant terms and conditions by improving the timeliness of its financial reporting, complying with the cash drawdown requirement of drawing down funds 30 days prior to expenditure or a disbursement, and complying with the 80 percent pass-through requirement by passing through \$16.7 million, about 85 percent, of the \$19.7 million of PSIC federal funds to 64 parishes; and
- claimed costs of \$7,749,964 in its December 31, 2008, financial status report, which were determined reasonable, allowable, and allocable according to PSIC grant regulations.

What We Recommended

We made no formal recommendations in our report, but did suggest ways to further enhance internal controls:

- During our fieldwork, we recommended that GOHSEP's interoperability program office record the matching share in its grant management system. (This recommendation was implemented prior to the end of our fieldwork.)
- Although our review of GOHSEP's financial status reports determined two of five reports were not submitted within the required 30 days of the end of the quarter, its last three financial status reports were submitted in a timely manner. We encourage GOHSEP to continue this pattern of timely financial reporting.