



THE STATE OF TEXAS

PUBLIC SAFETY INTEROPERABLE COMMUNICATIONS (PSIC) GRANT

Audit Preparation, Programmatic Presentation, Findings & Recommendations

Ms. Janice Bruno

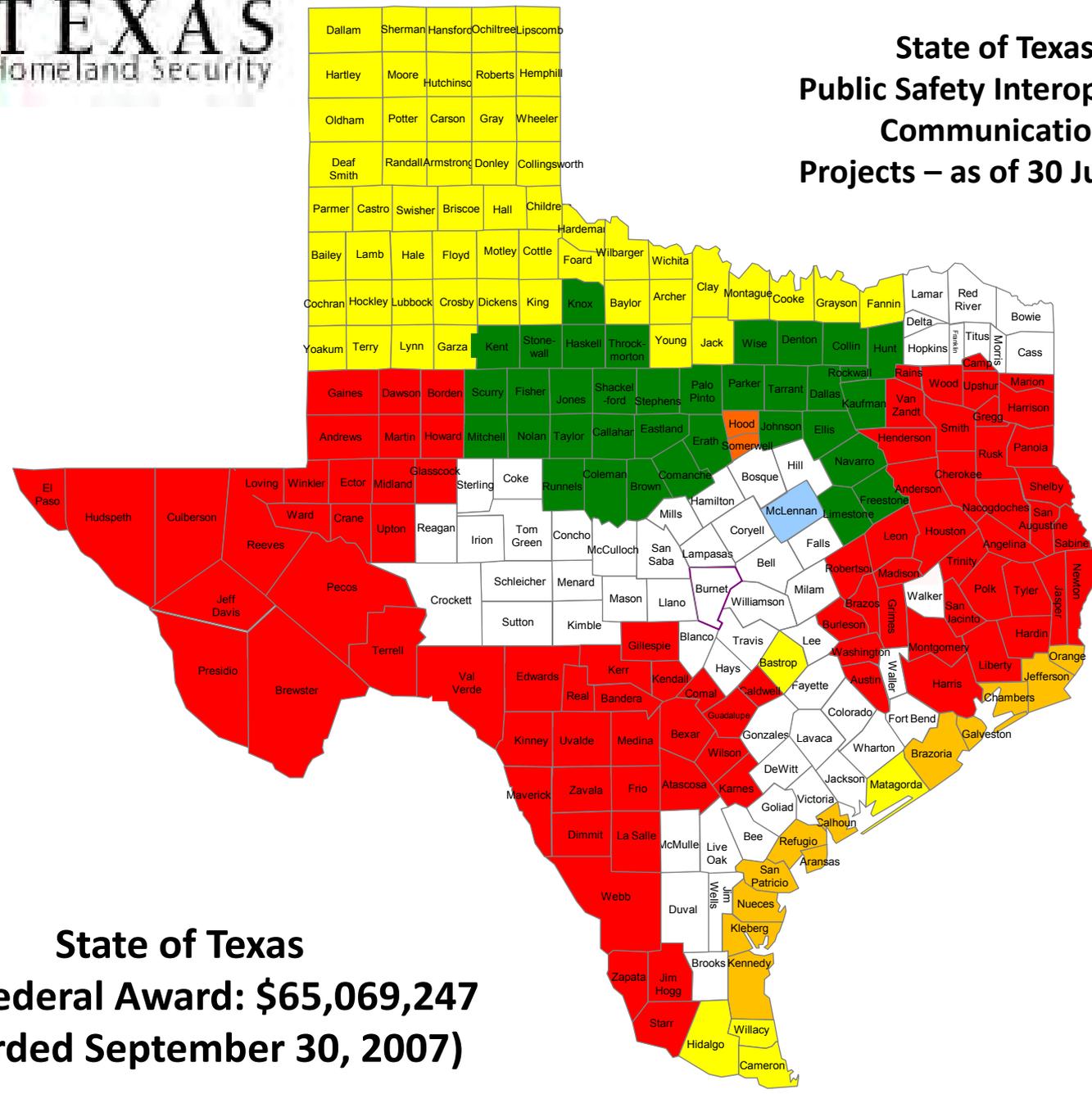
Administrator, Texas State Administrative Agency

Ms. Cindy Hood, PSIC Grant Manager and Coordinator

Oct 6, 2010



**State of Texas
Public Safety Interoperable
Communication
Projects – as of 30 Jun 2009**

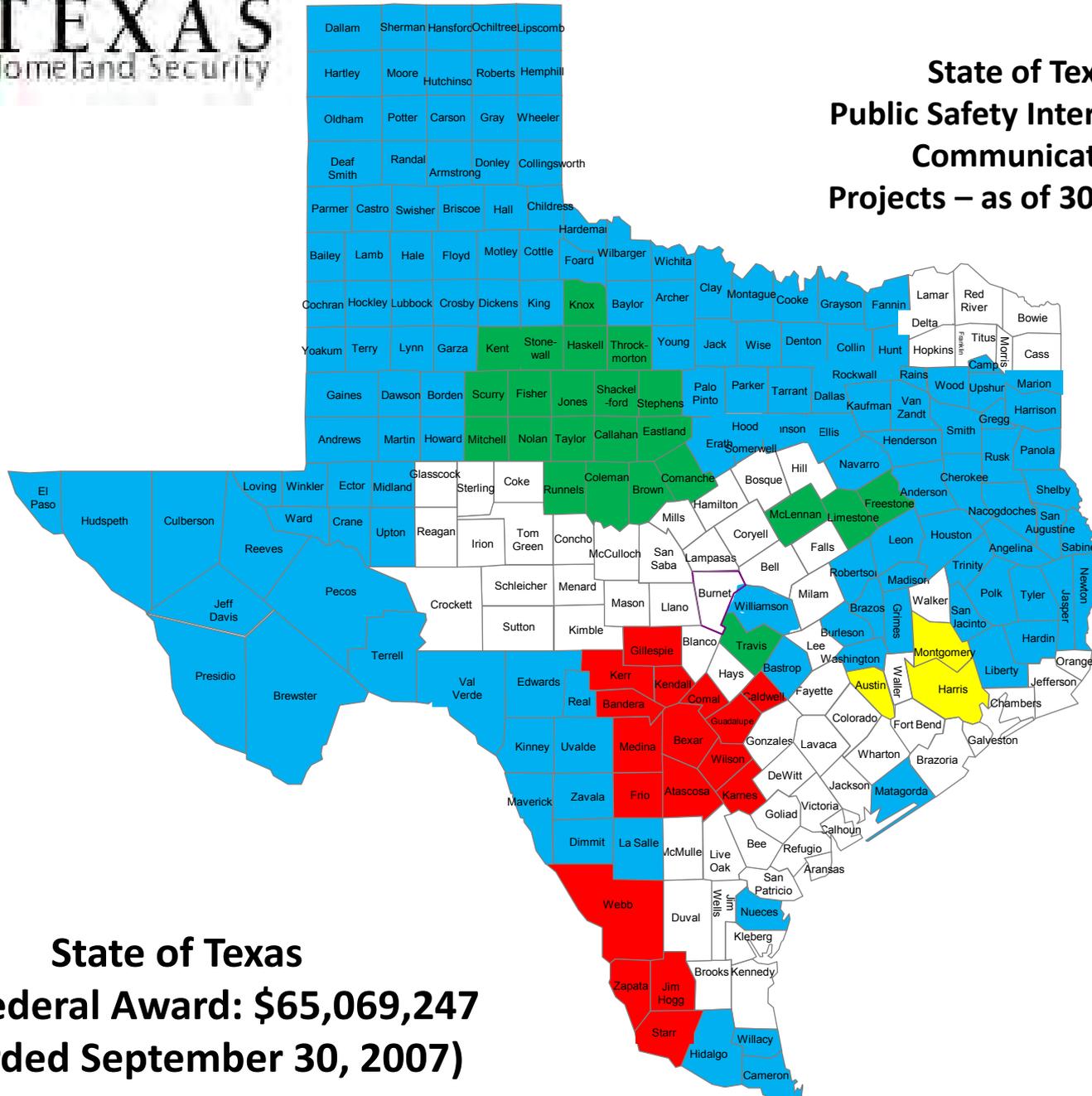


	Funded
	Committed
	Reimbursed
	Future Projects
	Partial
	No PSIC Projects

**State of Texas
PSIC Federal Award: \$65,069,247
(Awarded September 30, 2007)**



State of Texas Public Safety Interoperable Communication Projects – as of 30 Sep 2010



**State of Texas
PSIC Federal Award: \$65,069,247
(Awarded September 30, 2007)**

	Funded
	Committed
	Reimbursed
	Partial Reimbursed
	No PSIC Projects

PUBLIC SAFETY INTEROPERABILITY COMMUNICATIONS (PSIC) Grant Timeline

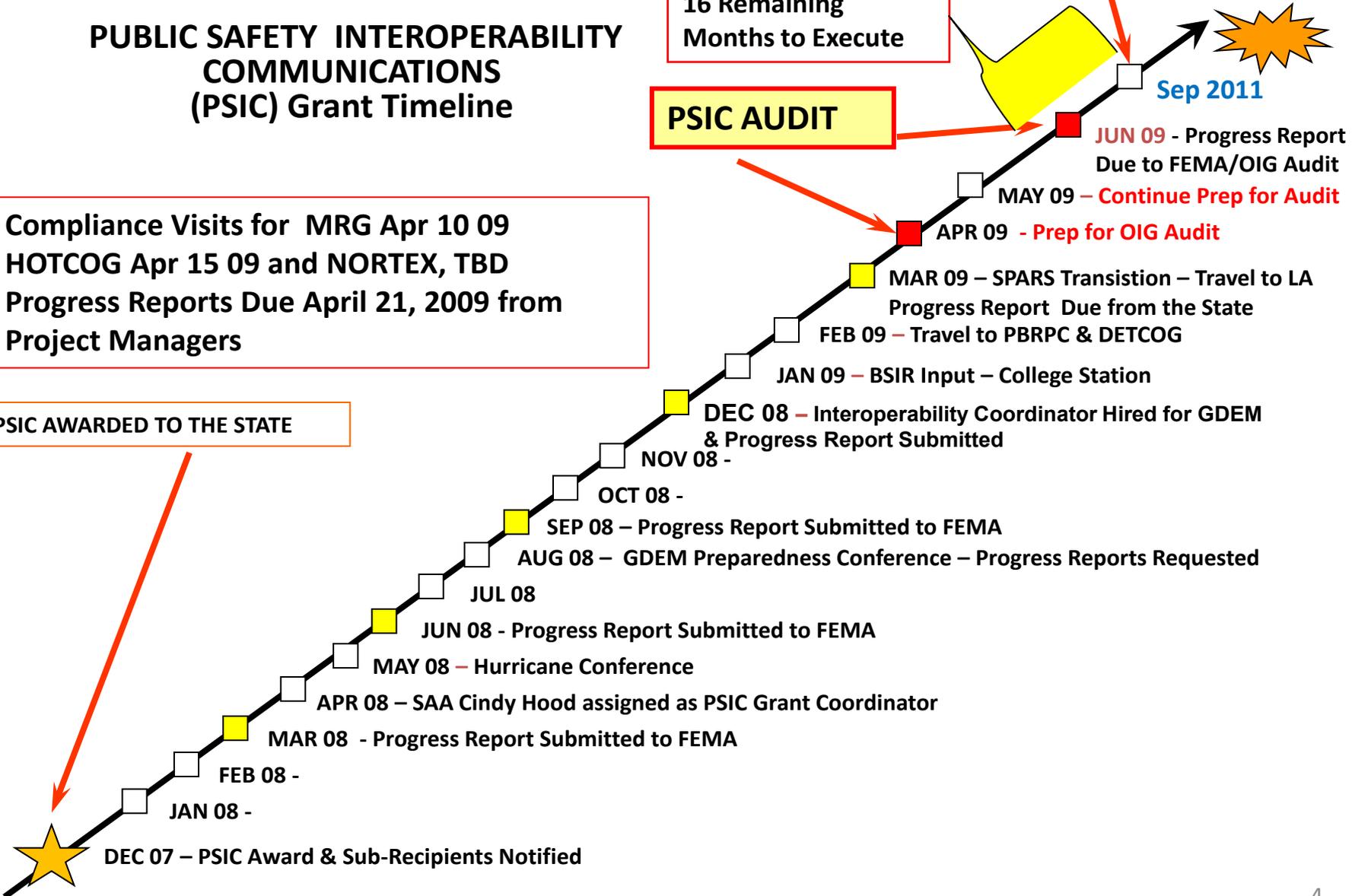
Compliance Visits for MRG Apr 10 09
 HOTCOG Apr 15 09 and NORTEX, TBD
 Progress Reports Due April 21, 2009 from Project Managers

PSIC AWARDED TO THE STATE

PSIC FUNDS EXPENDED

16 Remaining Months to Execute

PSIC AUDIT



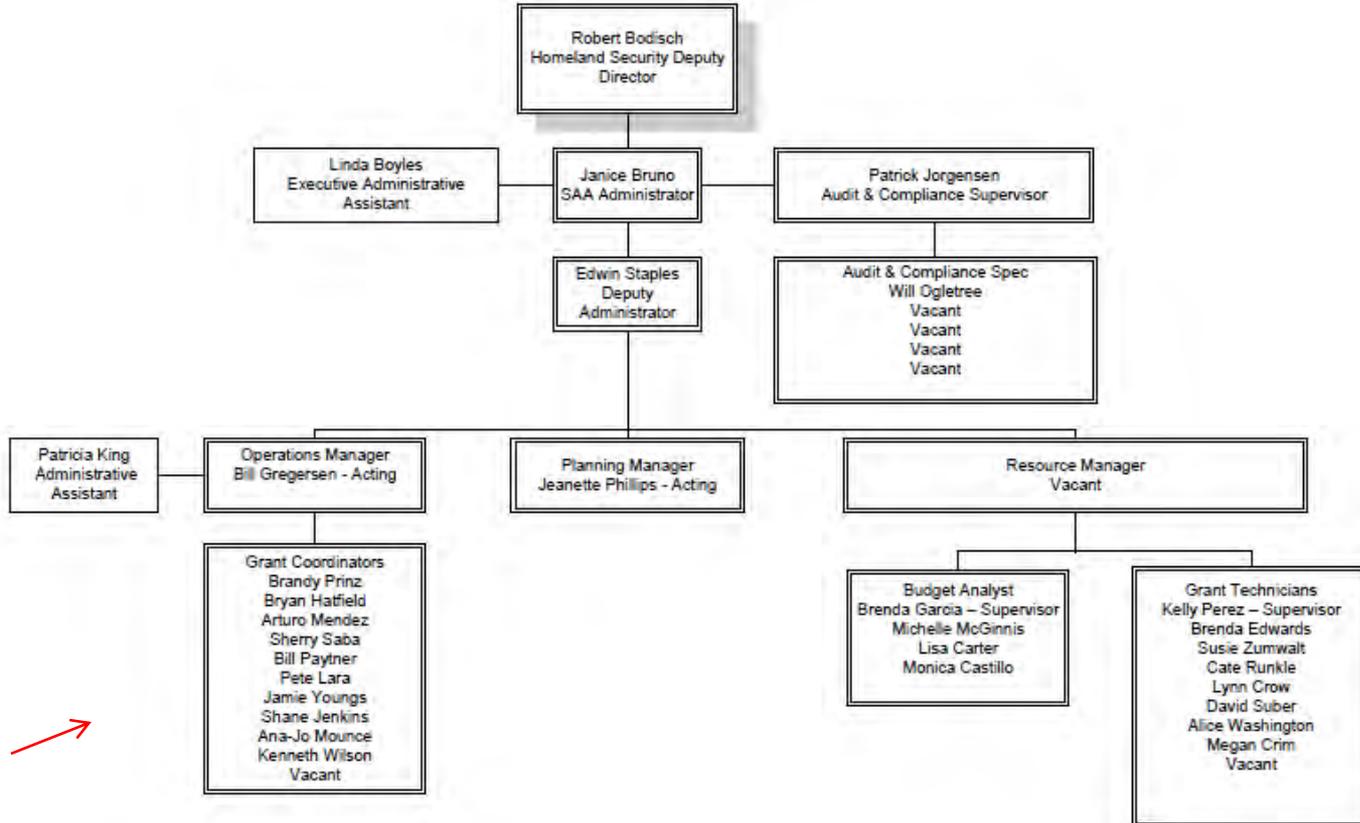


PSIC Auditors Agenda

June 16, 2009

- *Introductions to Key Staff and Stakeholders*
- *Opening Remarks – by the Leadership/Directors*
- *SAA Brief – Organizational Structure*
- *PSIC Programmatic Overview*
- *Accounting & Match*
- *Auditors Brief and Projected Timeline*
- *Review of Project Investments*
- *Financial Audit*

Texas SAA Organizational Chart



**(2) PSIC
Program
Specialists**





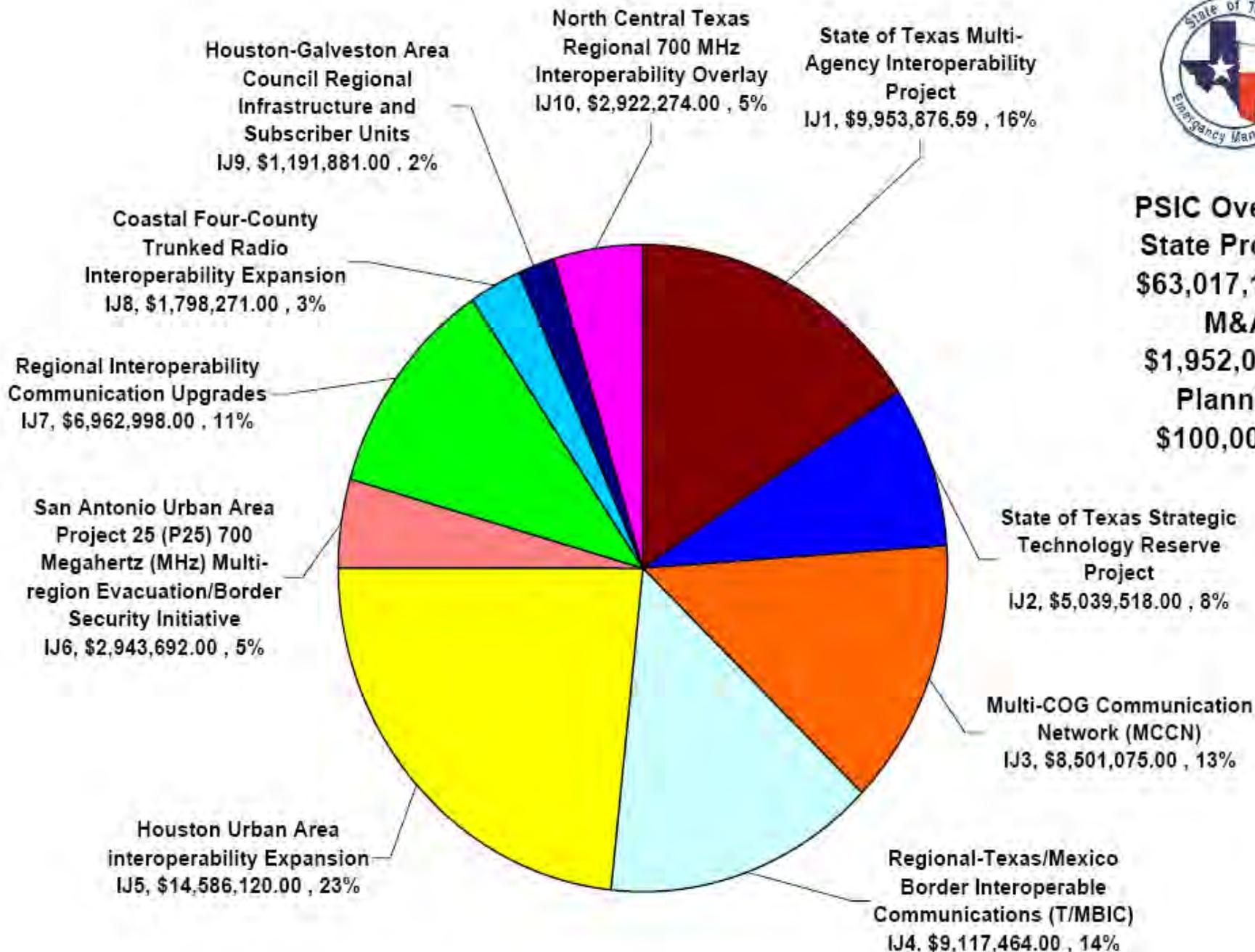
State of Texas
PSIC Federal Award: \$65,069,247
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Summary of Projects

1. State of Texas Multi-Agency Interoperability	\$ 9,953,876.59
2. State of Texas Strategic Technology Reserve	\$ 5,039,518.00
3. Multi-COG Communications Network (MCCN)	\$ 8,501,075.00
4. Regional – Texas/Mexico Border Interoperable Communications	\$ 9,117,464.00
5. Houston Urban Area Interoperability Expansion	\$ 14,586,128.00
6. San Antonio Urban Area Project 25 (P25) 700 Megahertz (MHz) Multi-region Evacuation/Border Security Initiative	\$ 2,943,692.00
7. Regional Interoperability Upgrades	\$ 6,962,998.00
8. Coastal Four-County Trunked Radio Interoperability Expansion	\$ 1,798,271.00
9. Houston Galveston Area Council Regional Infrastructure and Subscriber Units	\$ 1,191,881.00
10. North Central Texas Regional 700MHz Interoperability Overlay	\$ 2,922,274.00
Management and Administration (M&A)	\$ 1,952,077.00
Statewide Planning	\$ 100,000.00
Total PSIC Award	\$65,069,247.00



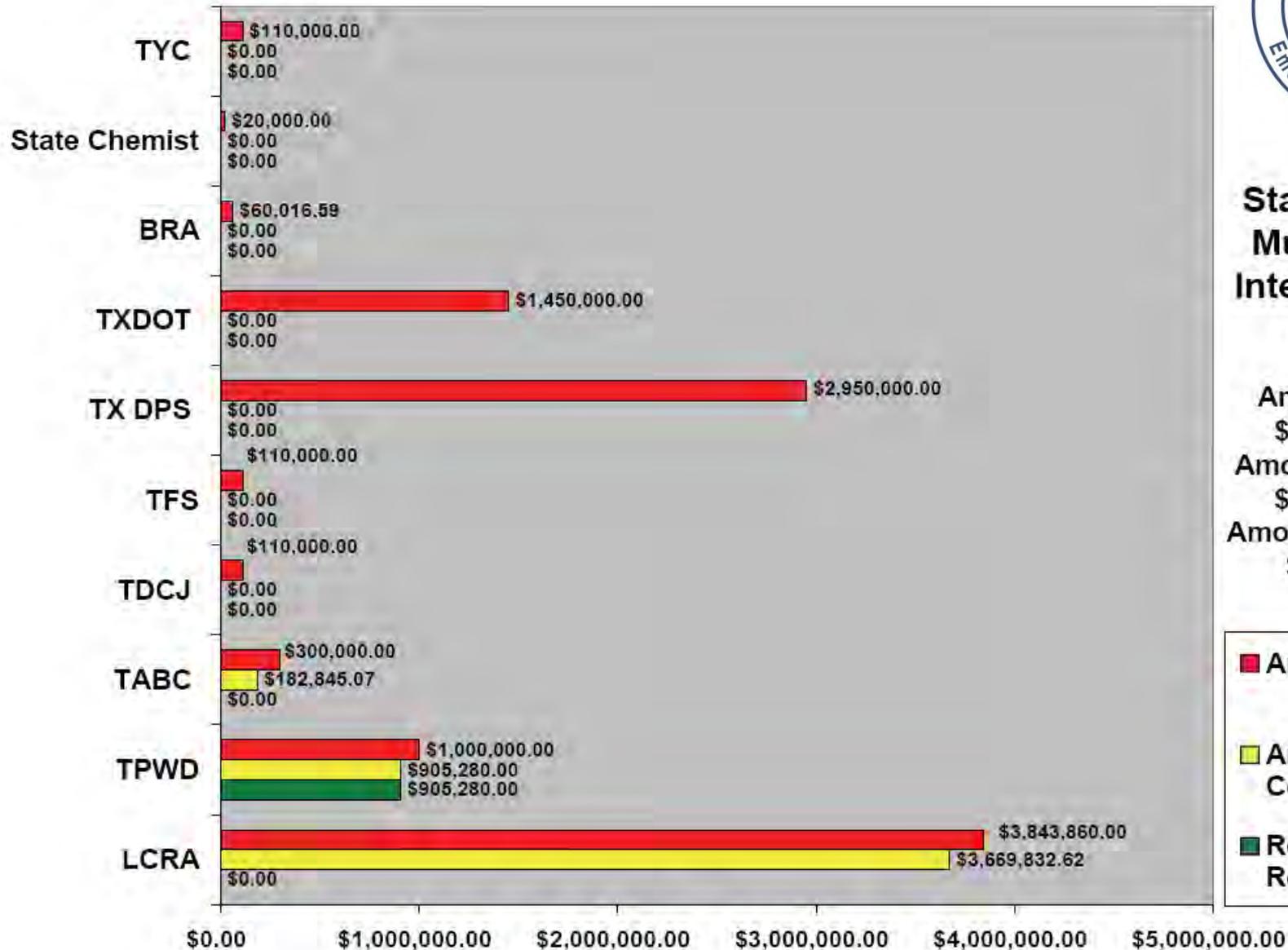
PSIC Overview
State Projects
\$63,017,169.59
M&A
\$1,952,077.00
Planning
\$100,000.00





IJ1 State of Texas Multi-Agency Interoperability Project

Amount Funded
\$9,953,876.59
Amount Committed
\$4,757,957.69
Amount Reimbursed
\$905,280.00



- Amount Funded
- Amount Committed
- Reimbursements Requested

Audit Notification

- OIG contacted us by phone, email and US Mail
– 2 months notice
- Sent list of items to prepare
- Requested we send what we could in advance

Preparations

- Compiled items requested by OIG
- Put together a book with all the documents they asked for
- Put together the presentation for OIG



**TEXAS PUBLIC SAFETY INTEROPERABLE GRANT
AWARD – DRAFT AUDIT REPORT
Oct 2007 – 30 Jun 2009**

Objective of the Audit: Determine whether Texas DPS was using its grant funds in accordance with Federal requirements

Assess whether Texas DPS is:

- ✓ On track to complete interoperable communications investments by September 30, 2011
- ✓ Has met the 20% matching share requirement for acquiring and deploying interoperable communications equipment and M&A costs
- ✓ Claimed reasonable, allowable and allocable costs under the award
- ✓ Complied with grant terms and conditions

Learning Experience

- Auditor's questions
 - Technical related to communications
 - What is a subscriber unit/mobile/portable?
 - What does P-25 Cost?

Findings:

Match Issues

- Match must be expended at the same rate as the federal share (*NTIA's PSIC program guidance and application kit, section vi (b)*)
- Identified Total Match met the minimum required but was not fully documentable
- 6 Sub-recipients without supporting match documentation
- Total Non-Federal Match \neq Federal Expenditures

Recommendations:

- Provide evidence of addressing deficiencies
- Designate "High Risk" until corrected



Grant Terms & Conditions

Findings:

- Financial Status Reporting SF-269 was submitted within 30 day requirement
- SF-269 did not report correct matching share (30 Jun 09) report
- BSIR understated and no matching share contributions reported

Recommendations:

- Provide evidence of addressing deficiencies
- Designate "High Risk" until corrected

Cash Drawdown

Findings:

- **Advanced funds must be placed in an interest-bearing account**
- **Any interest earned must be remitted to the U.S. Treasury**
- **11 drawdown's exceeded 30 days between receipt and disbursement (Result: > increase cash balance)**

Recommendations:

- **Limit advances of federal funds**
- **Deposit all advances in an interest-bearing account**
- **Remit \$1208.00 on imputed interest**

Response to Audit

➤ Financial Status Reporting Requirement Not Met

- ✓ *Actual match share amount was incorrect*
- ✓ *Correcting quarterly report amounts*
- ✓ *Correcting BSIR*
- ✓ *Will use manual system instead of electronic system to track funds*
- ✓ *Reviewing accounting system to ensure payments are made within 30 days.*

➤ Cash Drawdown Requirements

- ✓ *All drawdowns are placed in the State Comptrollers Account (per Government Code)*
- ✓ *Deposits were made into an interest bearing account*
- ✓ *Interest payment will be made.*
- ✓ *No advance drawdowns will be made*

Response to Audit

➤ Compliance with Modification Policy

✓ *Modifications did not exceed 10% of the total approved budget for any investment but they did exceed 10% of the individual approved budget. Submitting a request to NTIA for modification.*

➤ Questioned Costs

✓ *Travel costs that were not properly documented. Working on obtaining backup documentation.*

POSITIVE NOTES

- **Used IJ Numbers and Project Numbers for each sub-grantee.**
 - *PSIC BSIR is reported by IJ vs. jurisdiction. Using the IJ number on all project documentation made it easier to track the funding.*

- **Grant Groups**
 - *Placed different jurisdictions into groups according to IJ(s).*
 - *Each group had a project manager to help oversee those projects.*

- **Price Quotes/Implementation Plan**
 - *Each for each project prior to purchasing.*
 - *Reviewed and approved by TX SWICC*



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Questions?

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