



ARRA REPORT BY THE
INSPECTOR GENERAL AND STATE BOARD OF ACCOUNTS

2010-04-0107

June 4, 2010

ARRA DNR PSGP

Indiana Inspector General Staff Attorney Kristi Shute and State Examiner Bruce A. Hartman of the Indiana State Board of Accounts report as follows:

This report addresses an evaluation of the Port Security Grant Programs (PSGP)¹ within the Indiana Department of Natural Resources (DNR).²

The PSGP's purpose is to create a sustainable, risk-based effort to protect critical port infrastructure from terrorism, particularly attacks, using explosives and non-conventional threats that could cause major disruption to commerce.³

On February 17, 2009, the United States Government enacted the American Recovery and Reinvestment Act (ARRA).⁴ The ARRA intends to provide a stimulus to the United States economy by providing \$787 billion in

¹ 46 USC §70107 *et seq.*

² The Indiana Department of Natural Resources (DNR) is established in IC 14-9-1-1.

³ See footnote 1, *supra*.

⁴ American Recovery and Reinvestment Act of 2009, P.L. No. 111-5, 123 Stat. 115 (2009).

program funding and tax credits.⁵

The purpose of this report is to document a preliminary ARRA compliance review of the PSGP by the State Board of Accounts (SBOA) and the Office of the Inspector General (OIG).

I

To date, the DNR has received two awards totaling \$184,266 in ARRA funding to purchase equipment for two projects that will enhance DNR law enforcement along the Ohio River. The funds must be obligated by August 31, 2012, and liquidated by November 29, 2012.

II

The OIG's enabling statute provides that the OIG "is responsible for addressing fraud, waste, abuse and wrongdoing in agencies." IC 4-2-7-2(b).

The SBOA has similar duties, including the authority to develop and publish "accounting and uniform compliance guidelines manuals" ("Manuals") to provide guidance to public entities, IC 5-11-1-24(a), to perform audits, IC 5-11-1-9, and to make written findings regarding violations of its Manuals or "any law." IC 5-11-5-1(a).

Within these authorities, a preliminary review of the PSGP was made. This review included, but was not limited to, reviewing the program objectives, meeting with the program staff, reviewing agency-completed spending plans,

⁵ See: <http://www.recovery.gov>.

reviewing monthly update reports submitted to the Indiana Office of Management and Budget (OMB) and an assessment of the program's risks.

From this preliminary review, we make the following findings and recommendations.

III

We find from our initial review that the program controls outlined in the PSGP spending plan approved by the OMB or other related documentation are adequate to meet the respective federal ARRA and State OMB guidelines and requirements.

Accordingly, we make no recommendation at this time, but, at a later date, may perform additional procedures as deemed necessary to verify compliance requirements.

Dated this 4th day of June, 2010.

APPROVED BY:



David O. Thomas, Inspector General