



FEMA

W-04027

June 21, 2004

MEMORANDUM FOR: Write Your Own (WYO) Principal Coordinators and
NFIP Servicing Agent

FROM: WYO Clearinghouse

SUBJECT: Triennial vs. Biennial Audits

The Mitigation Division is constantly exploring avenues to improve services to our shareholder and partners. As part of this continuing effort, we reinstated Operation Reviews some while ago. This brought our attention to a review of the program benefits of continuing biennial audits or reverting to triennial audits. After careful consideration, we concluded that the biennial audits of the flood insurance financial statements (44 CFR 62.23 (j)(1)) provide a measure of program integrity and control that best serves the NFIP's long-term interests without being overly burdensome for WYO companies. Accordingly, we have decided to continue with these audits on a biennial basis.

For WYO companies selected for the October 1, 2001, to September 2003 biennial audit, your company's CPA firm's detailed audit report should be submitted to us by March 31, 2005.

We hope this addresses and clarifies any confusion relating to these audits resulting from an earlier bulletin. If further assistance is needed, please contact Willie Taylor at (202) 646-3415.

cc: Vendors, IBHS, WYO Standards, FIPNC, WYO Marketing Committee,
Government Technical Representative

Suggested Routing: Accounting, Claims, Data Processing, Marketing