

National Flood Determination Association

NFDA Certification Program

Independent Auditor's Checklist

January 2010

Table of Contents

Section	Topic
1.0	General Information
2.0	Checklist
2.1	Accuracy Validation
2.2	Business Recovery
2.3	Experience in Business
2.4	Financial Viability
2.5	Flood Zone Determination Training Program
2.6	Life of Loan
2.7	Quality Assurance
2.8	Record Keeping

Questions regarding the completion of this form should be directed to the National Flood Determination Association's Certification Committee chair:

Cheryl Small, Vice President of Operations
First American Flood Data Services
11902 Burnet Road
Austin, Texas 78758
Ph: 512-977-3728
Fax: 512-977-3729
chsmall@firstam.com

Section 1.0: General Information

Applicant Company Name: _____

Contact: _____

Telephone: _____

Primary Physical Address: _____

Site Visit (check one): Yes No

If "Yes", Address Visited: _____

If "No", Auditor comments: _____

Section 2.0: Checklist

Section 2.1 Accuracy Validation

- ____ 1. Obtain a file of all determinations completed on, or determinations provided with the intent to populate, the Standard Flood Hazard Determination Form (FEMA Form 81-93, attached as Exhibit 1) during a consecutive twelve (12) month period. The file may contain determinations that extend up to, but not more than, fifteen (15) months prior to the date of the collection.

- ____ 2. Obtain a copy of the Applicant Company's partial flood policy or written procedures.

Section 2.2: Business Recovery

- ___1. Obtain a written copy of the Applicant Company's Business Recovery Plan.
- ___2. Verify the Business Recovery Plan documents methods and practices for period reviews and updates with walk-through/testing of the plan including the results.
- ___3. Verify the Business Recovery Plan includes either (a) an off-site facility or, (b) current agreement with another flood zone determination provider.

Section 2.3: Experience in Business

- ___1. Obtain either the Articles of Incorporation or a company tax record to validate the company has been in the business of issuing flood determinations for a minimum two-year period.

Section 2.4: Financial Viability

- ___1. Verify the existence of a minimum one-million (\$1,000,000.00) dollar Errors & Omissions (E&O) insurance policy. In the event the Applicant Company does not have an E&O policy or such policy does not meet the minimum requirement the Auditor may verify any documentation provided by the Applicant Company that illustrates self-insurance of comparable coverage.

Section 2.5: Flood Zone Determination Training Program

- ___1. Verify the existence of a documented research analyst or map analyst training manual.
- ___2. Verify the training manual contains definitions or discussions of the following key elements:
 - a. Basic determination guidelines and sources
 - b. Basic Flood Elevation
 - c. CBRA/OPA
 - d. Flood Zone Definitions
 - e. Items found on the current SFHDF
 - f. LOMC fundamentals and process
 - g. Plotting techniques
 - h. Property records
 - i. NFIP history and purpose

Section 2.6: Life of Loan

- ___ 1. Verify that the Applicant Company has insurance, reserves, deferred revenue, or other guarantees to address any obligations under Life-of-Loan and/or re-mapping services (“LOL”).
- ___ 2. Select four (4) individual map panels from at least two (2) different effective dates which have changed during the past year in which the Applicant Company had issued LOL determinations prior to the map change effective date.
- ___ 3. From the map panels selected in Step 2 above, select ten (10) LOL determinations issued prior to map change date and confirm that the determinations were updated within the prescribed period.

Section 2.7: Quality Assurance

- ___ 1. Verify the existence of a documented Quality Assurance Program (“QAP”).
- ___ 2. Verify audits were completed and documented according to the QAP.
- ___ 3. Obtain copies of the error statistics from performance of the QAP.
- ___ 4. Verify that the following information is being tested as a part of the QAP:
 - a. **Flood Zone** – SFHDF Section II. B box 4
The flood zone in which the building or mobile home is located as shown on the Flood Insurance Rate Map (FIRM).
 - b. **Federal Flood Insurance Availability (Community Participation Status)** – SFHDF Section II. C box 1 & 2
The indicator of whether the community participates in the National Flood Insurance Program (NFIP).
 - c. **NFIP Map Number and Map Date** – SFHDF Section II. B box 1 & 2
The NFIP map number or community-panel number (9 or 11-digit number) and effective date assigned to the FIRM on which the building or mobile home is located.
 - d. **CBRA & OPA status** – SFHDF Section II. C box 3
The indicator of whether the building or mobile home is situated in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA) as designated by FEMA on the FIRM.
 - e. **NFIP Community Name and Number** – SFHDF Section II. A box 1 & 4

The complete name of the community that has authority to adopt and enforce floodplain management regulations in which the building or mobile home is located and the NFIP community number assigned to that community.

Section 2.8: Record Keeping

- ____ 1. Verify that the Applicant Company can produce paper copies of their historical determinations. Obtain copies of two (2) determinations for each year the company has been in business up to seven years in the past. If the Company has been certified in the past only pull two (2) determinations for each year from the date of the last site visit or certification cycle.