



Why This Matters

Public Law 110-53, *Implementing Recommendations of the 9/11 Commission Act of 2007*, requires the Department of Homeland Security, Office of Inspector General, to audit individual States' and territories' management of State Homeland Security Program and Urban Areas Security Initiative grants, and annually submit to Congress a report summarizing the results of those audits.

This report responds to the annual reporting requirement and summarizes audits of 10 States and 1 urban area completed in fiscal year 2013. The Federal Emergency Management Agency (FEMA) awarded the States and urban area more than \$668 million in State Homeland Security Program and Urban Areas Security Initiative funds during the fiscal years audited.

DHS Response

We made 76 recommendations to FEMA in the individual audits of the 10 States and 1 urban area. FEMA concurred with 70 of the recommendations. Corrective actions are underway that, when implemented, should strengthen program management, performance, and oversight.

For Further Information:

Contact our Office of Public Affairs at (202)254-4100, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

Annual Report to Congress on States' and Urban Areas' Management of Homeland Security Grant Programs Fiscal Year 2013

What We Determined

During fiscal year 2013, audit reports were issued for the States of Connecticut, Indiana, Kentucky, Massachusetts, Mississippi, Nebraska, North Carolina, Rhode Island, Virginia, Wisconsin, and Illinois (Urban Areas Security Initiative only). In most instances, the States and urban area did an efficient and effective job of administering the grant program requirements in compliance with grant guidance and regulations. Additionally, we identified two innovative practices that can be considered for use by other jurisdictions.

Two major areas were identified for improvement: strategic planning and oversight of grant activities. We also identified more than \$5.7 million in questioned costs.

What We Recommend

No new recommendations were made with this report; however, from the individual audits of the 10 States and 1 urban area we recommended that the Assistant Administrator, Grant Programs Directorate, FEMA, require the States and urban area to make improvements in the following areas:

Strategic Planning Processes:

- Fully measurable and achievable goals and objectives
- Capabilities/risk assessments

Oversight of Grant Activities:

- Allocation, obligation, and expenditure of grant funds
- Monitoring of subgrantee activities
- Financial management, reporting, and costs
- Compliance with procurement and property management requirements