

# Spotlight

Department of Homeland Security



## Office of Inspector General

January 2014 OIG-14-25

### 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 (SHSP) and Urban Areas Security Initiative (UASI) grants. This report responds to the reporting requirement for the State of Hawaii.

The Federal Emergency Management Agency (FEMA) awarded the State of Hawaii approximately \$27.8 million in SHSP and UASI grant funds during fiscal years (FY) 2009 through 2011.

### DHS Response

FEMA concurred with 25 of the 26 recommendations, and is taking or planning to take corrective actions to implement the recommendations.

### For Further Information:

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

## Hawaii's Management of Homeland Security Grant Program Awards for Fiscal Years 2009 Through 2011

### What We Determined

In most instances, the State of Hawaii distributed and spent the awards in compliance with applicable laws and regulations. However, we identified areas for improving grants management: State Homeland Security Strategies, policies and procedures, Federal procurement requirements, timeliness of expenditures, reporting personnel time charges, monitoring subgrantees, managing and accounting for property, obligating funds to subgrantees, documenting expenditures, and financial status reporting. The State also must ensure that equipment procured was needed and used for intended purposes, that the goals and objectives of the State's fusion center supported national capability needs, and that the State does not rely solely on DHS funding to sustain future fusion center operations. We questioned costs totaling approximately \$7.4 million.

### What We Recommend

FEMA Assistant Administrator, Grant Programs Directorate, to require the Office of the Adjutant General, Grant Management Office to:

- Develop and implement policies and procedures regarding updating the State's strategy, sole source procurement requirements, personnel cost reporting, subgrantee monitoring, written consent from subgrantees for retaining funds, timely expenditure of funds, recording of expenditures, financial status reporting, and identifying equipment need and availability.
- Identify baselines to measure progress toward achieving goals and objectives.
- Ensure that cost analyses are performed for sole source procurements, and conduct the required cost analysis for all sole source procurements made under the FY 2009 through FY 2011 SHSP and UASI awards.
- Provide supporting documentation to verify personnel costs claimed against FYs 2009 through 2011 grant awards.
- Direct subgrantees to establish and maintain property management records, conduct the required 2-year inventory inspections, and reconcile the results to the property records.
- Determine if \$3,275,509 in funds retained by the State were used for the benefit of each respective subgrantee and if not, return funds to FEMA or award to appropriate subgrantees.
- Complete a reconciliation of expenditures in the Grant Management System to determine the accuracy and timeliness of the recordings, and return to FEMA any unsupported funds.
- Develop a sustainability plan for the State's fusion center that includes future funding sources and options for achieving the Federally required national information sharing capabilities.