



Why This Matters

Public Law 110-53, *Implementing Recommendations of the 9/11 Commission Act of 2007*, requires the Department of Homeland Security (DHS) Office of Inspector General to audit individual states' and territories' management of State Homeland Security Program (SHSP) and Urban Areas Security Initiative grants. This report responds to the reporting requirement for South Dakota.

The Federal Emergency Management Agency (FEMA) awarded South Dakota approximately \$14.6 million in SHSP grant funds for fiscal years 2010 through 2012.

DHS Response

FEMA concurred with all seven recommendations and will use the findings in the report to strengthen the effectiveness and efficiency of executing and measuring its program. FEMA recognized the need to continue to improve the process 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

South Dakota's Management of Homeland Security Grant Program Awards for Fiscal Years 2010 Through 2012

What We Determined

South Dakota developed written procedures for program administration, generally spent the awards in compliance with applicable laws and regulations, and complied with Federal financial reporting requirements.

However, we identified areas where the State can improve its management and oversight of the grant funds. South Dakota should identify homeland security strategies with specific, time-limited goals and objectives, and develop a process for measuring and evaluating the progress toward attaining those goals and objectives. The State should implement an effective subgrantee monitoring program, and process grant funding obligations to its grantees in a timelier manner. South Dakota should also spend grant funds within the required timeframes established by FEMA, and improve property management and inventory control procedures.

What We Recommend

We recommended that the FEMA Assistant Administrator, Grant Programs Directorate, require the Director, South Dakota Office of Homeland Security to:

- Comply with FEMA guidance to update the State's strategy, identify baselines, formalize a plan to document progress, compile key management information, track trends, and keep the strategy on track.
- Implement new office-based and on-site monitoring procedures to provide adequate subgrantee monitoring, include tools for evaluating subgrantee compliance with Federal requirements, and provide criteria and methodologies for assessing subgrantee efficiency and effectiveness.
- Review the process used to obligate SHSP funding to subgrantees to identify ways to shorten the process to ensure that funds are available to subgrantees in a timelier manner.
- Develop and implement procedures to ensure that grant funds are expended in a timely manner, with special emphasis on the state agencies.
- Communicate, reinforce, and verify compliance with Federal requirements for subgrantees to maintain property management systems and property records for equipment purchased with Federal funds.