

section 762 of this title and section 5196c of Title 42, The Public Health and Welfare. For complete classification of titles I and II to the Code, see Tables.

§ 612. Accountability

(a) Audits of grant programs

(1) Compliance requirements

(A) Audit requirement

Each recipient of a grant administered by the Department that expends not less than \$500,000 in Federal funds during its fiscal year shall submit to the Administrator a copy of the organization-wide financial and compliance audit report required under chapter 75 of title 31.

(B) Access to information

The Department and each recipient of a grant administered by the Department shall provide the Comptroller General and any officer or employee of the Government Accountability Office with full access to information regarding the activities carried out related to any grant administered by the Department.

(C) Improper payments

Consistent with the Improper Payments Information Act of 2002 (31 U.S.C. 3321 note), for each of the grant programs under sections 604 and 605 of this title and section 762 of this title, the Administrator shall specify policies and procedures for—

- (i) identifying activities funded under any such grant program that are susceptible to significant improper payments; and
- (ii) reporting any improper payments to the Department.

(2) Agency program review

(A) In general

Not less than once every 2 years, the Administrator shall conduct, for each State and high-risk urban area receiving a grant administered by the Department, a programmatic and financial review of all grants awarded by the Department to prevent, prepare for, protect against, or respond to natural disasters, acts of terrorism, or other man-made disasters, excluding assistance provided under section 203, title IV, or title V of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133, 5170 et seq., and 5191 et seq.).

(B) Contents

Each review under subparagraph (A) shall, at a minimum, examine—

- (i) whether the funds awarded were used in accordance with the law, program guidance, and State homeland security plans or other applicable plans; and
- (ii) the extent to which funds awarded enhanced the ability of a grantee to prevent, prepare for, protect against, and respond to natural disasters, acts of terrorism, and other man-made disasters.

(C) Authorization of appropriations

In addition to any other amounts authorized to be appropriated to the Adminis-

trator, there are authorized to be appropriated to the Administrator for reviews under this paragraph—

- (i) \$8,000,000 for each of fiscal years 2008, 2009, and 2010; and
- (ii) such sums as are necessary for fiscal year 2011, and each fiscal year thereafter.

(3) Office of Inspector General performance audits

(A) In general

In order to ensure the effective and appropriate use of grants administered by the Department, the Inspector General of the Department each year shall conduct audits of a sample of States and high-risk urban areas that receive grants administered by the Department to prevent, prepare for, protect against, or respond to natural disasters, acts of terrorism, or other man-made disasters, excluding assistance provided under section 203, title IV, or title V of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133, 5170 et seq., and 5191 et seq.).

(B) Determining samples

The sample selected for audits under subparagraph (A) shall be—

- (i) of an appropriate size to—
 - (I) assess the overall integrity of the grant programs described in subparagraph (A); and
 - (II) act as a deterrent to financial mismanagement; and
- (ii) selected based on—
 - (I) the size of the grants awarded to the recipient;
 - (II) the past grant management performance of the recipient;
 - (III) concerns identified by the Administrator, including referrals from the Administrator; and
 - (IV) such other factors as determined by the Inspector General of the Department.

(C) Comprehensive auditing

During the 7-year period beginning on August 3, 2007, the Inspector General of the Department shall conduct not fewer than 1 audit of each State that receives funds under a grant under section 604 or 605 of this title.

(D) Report by the Inspector General

(i) In general

The Inspector General of the Department shall submit to the appropriate committees of Congress an annual consolidated report regarding the audits completed during the fiscal year before the date of that report.

(ii) Contents

Each report submitted under clause (i) shall describe, for the fiscal year before the date of that report—

- (I) the audits conducted under subparagraph (A);
- (II) the findings of the Inspector General with respect to the audits conducted under subparagraph (A);

(III) whether the funds awarded were used in accordance with the law, program guidance, and State homeland security plans and other applicable plans; and

(IV) the extent to which funds awarded enhanced the ability of a grantee to prevent, prepare for, protect against, and respond to natural disasters, acts of terrorism and other man-made disasters.

(iii) Deadline

For each year, the report required under clause (i) shall be submitted not later than December 31.

(E) Public availability on website

The Inspector General of the Department shall make each audit conducted under subparagraph (A) available on the website of the Inspector General, subject to redaction as the Inspector General determines necessary to protect classified and other sensitive information.

(F) Provision of information to Administrator

The Inspector General of the Department shall provide to the Administrator any findings and recommendations from audits conducted under subparagraph (A).

(G) Evaluation of grants management and oversight

Not later than 1 year after August 3, 2007, the Inspector General of the Department shall review and evaluate the grants management and oversight practices of the Federal Emergency Management Agency, including assessment of and recommendations relating to—

- (i) the skills, resources, and capabilities of the workforce; and
- (ii) any additional resources and staff necessary to carry out such management and oversight.

(H) Authorization of appropriations

In addition to any other amounts authorized to be appropriated to the Inspector General of the Department, there are authorized to be appropriated to the Inspector General of the Department for audits under subparagraph (A)—

- (i) \$8,500,000 for each of fiscal years 2008, 2009, and 2010; and
- (ii) such sums as are necessary for fiscal year 2011, and each fiscal year thereafter.

(4) Performance assessment

In order to ensure that States and high-risk urban areas are using grants administered by the Department appropriately to meet target capabilities and preparedness priorities, the Administrator shall—

- (A) ensure that any such State or high-risk urban area conducts or participates in exercises under section 748(b) of this title;
- (B) use performance metrics in accordance with the comprehensive assessment system under section 749 of this title and ensure that any such State or high-risk urban area regularly tests its progress against such

metrics through the exercises required under subparagraph (A);

(C) use the remedial action management program under section 750 of this title; and

(D) ensure that each State receiving a grant administered by the Department submits a report to the Administrator on its level of preparedness, as required by section 752(c) of this title.

(5) Consideration of assessments

In conducting program reviews and performance audits under paragraphs (2) and (3), the Administrator and the Inspector General of the Department shall take into account the performance assessment elements required under paragraph (4).

(6) Recovery audits

The Administrator shall conduct a recovery audit (as that term is defined by the Director of the Office of Management and Budget under section 3561 of title 31) for any grant administered by the Department with a total value of not less than \$1,000,000, if the Administrator finds that—

- (A) a financial audit has identified improper payments that can be recouped; and
- (B) it is cost effective to conduct a recovery audit to recapture the targeted funds.

(7) Remedies for noncompliance

(A) In general

If, as a result of a review or audit under this subsection or otherwise, the Administrator finds that a recipient of a grant under this subchapter has failed to substantially comply with any provision of law or with any regulations or guidelines of the Department regarding eligible expenditures, the Administrator shall—

- (i) reduce the amount of payment of grant funds to the recipient by an amount equal to the amount of grants funds that were not properly expended by the recipient;
- (ii) limit the use of grant funds to programs, projects, or activities not affected by the failure to comply;
- (iii) refer the matter to the Inspector General of the Department for further investigation;
- (iv) terminate any payment of grant funds to be made to the recipient; or
- (v) take such other action as the Administrator determines appropriate.

(B) Duration of penalty

The Administrator shall apply an appropriate penalty under subparagraph (A) until such time as the Administrator determines that the grant recipient is in full compliance with the law and with applicable guidelines or regulations of the Department.

(b) Reports by grant recipients

(1) Quarterly reports on homeland security spending

(A) In general

As a condition of receiving a grant under section 604 or 605 of this title, a State, high-risk urban area, or directly eligible tribe

shall, not later than 30 days after the end of each Federal fiscal quarter, submit to the Administrator a report on activities performed using grant funds during that fiscal quarter.

(B) Contents

Each report submitted under subparagraph (A) shall at a minimum include, for the applicable State, high-risk urban area, or directly eligible tribe, and each subgrantee thereof—

(i) the amount obligated to that recipient under section 604 or 605 of this title in that quarter;

(ii) the amount of funds received and expended under section 604 or 605 of this title by that recipient in that quarter; and

(iii) a summary description of expenditures made by that recipient using such funds, and the purposes for which such expenditures were made.

(C) End-of-year report

The report submitted under subparagraph (A) by a State, high-risk urban area, or directly eligible tribe relating to the last quarter of any fiscal year shall include—

(i) the amount and date of receipt of all funds received under the grant during that fiscal year;

(ii) the identity of, and amount provided to, any subgrantee for that grant during that fiscal year;

(iii) the amount and the dates of disbursements of all such funds expended in compliance with section 611(a)(1) of this title or under mutual aid agreements or other sharing arrangements that apply within the State, high-risk urban area, or directly eligible tribe, as applicable, during that fiscal year; and

(iv) how the funds were used by each recipient or subgrantee during that fiscal year.

(2) Annual report

Any State applying for a grant under section 605 of this title shall submit to the Administrator annually a State preparedness report, as required by section 752(c) of this title.

(c) Reports by the Administrator

(1) Federal Preparedness Report

The Administrator shall submit to the appropriate committees of Congress annually the Federal Preparedness Report required under section 752(a) of this title.

(2) Risk assessment

(A) In general

For each fiscal year, the Administrator shall provide to the appropriate committees of Congress a detailed and comprehensive explanation of the methodologies used to calculate risk and compute the allocation of funds for grants administered by the Department, including—

(i) all variables included in the risk assessment and the weights assigned to each such variable;

(ii) an explanation of how each such variable, as weighted, correlates to risk,

and the basis for concluding there is such a correlation; and

(iii) any change in the methodologies from the previous fiscal year, including changes in variables considered, weighting of those variables, and computational methods.

(B) Classified annex

The information required under subparagraph (A) shall be provided in unclassified form to the greatest extent possible, and may include a classified annex if necessary.

(C) Deadline

For each fiscal year, the information required under subparagraph (A) shall be provided on the earlier of—

(i) October 31; or

(ii) 30 days before the issuance of any program guidance for grants administered by the Department.

(3) Tribal funding report

At the end of each fiscal year, the Administrator shall submit to the appropriate committees of Congress a report setting forth the amount of funding provided during that fiscal year to Indian tribes under any grant program administered by the Department, whether provided directly or through a subgrant from a State or high-risk urban area.

(Pub. L. 107-296, title XX, § 2022, as added Pub. L. 110-53, title I, § 101, Aug. 3, 2007, 121 Stat. 287.)

REFERENCES IN TEXT

The Improper Payments Information Act of 2002, referred to in subsec. (a)(1)(C), is Pub. L. 107-300, Nov. 26, 2002, 116 Stat. 2350, which is set out as a note under section 3321 of Title 31, Money and Finance.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act, referred to in subsec. (a)(2)(A), (3)(A), is Pub. L. 93-288, May 22, 1974, 88 Stat. 143. Section 203 of the Act is classified to section 5133 of Title 42, The Public Health and Welfare. Titles IV and V of the Act are classified generally to subchapters IV (§ 5170 et seq.) and IV-A (§ 5191 et seq.), respectively, of chapter 68 of Title 42. For complete classification of this Act to the Code, see Short Title note set out under section 5121 of Title 42 and Tables.

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