



### 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' management of State Homeland Security Program and Urban Areas Security Initiative grants.

The Federal Emergency Management Agency (FEMA) awarded the State of Montana (State) approximately \$19.7 million in Homeland Security Grant Program funds during Fiscal Years 2007 through 2009, of which almost \$16.5 million was for State Homeland Security Program grants.

### DHS Response

FEMA and Montana officials concurred with all 13 recommendations. FEMA acknowledged that the findings in the report will be used to strengthen the effectiveness and efficiency of how the Homeland Security Grant Programs are executed and measured. FEMA recognized the need to continue to improve the process, including addressing the recommendations raised in our report.

### For Further Information:

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

## The State of Montana's Management of State Homeland Security Program Grants

### What We Determined

Generally, the State did an efficient and effective job of administering program requirements in accordance with grant guidance and regulations. The State's plans linked funding to all-hazard capabilities and to goals that were established based on risk assessments. However, we identified four areas for improving grants management.

Specifically, the State did not develop measurable goals and objectives to provide a basis for measuring improvement in preparedness and response capabilities, or have an effective systematic method for the collection of performance-related data. Also, State subgrantees did not always maintain property management records in accordance with federal requirements. As a result, the State did not have reasonable assurance that the assets procured with federal funds were adequately safeguarded to prevent loss, damage, or theft of the property.

Further, the State did not adequately monitor its subgrantees, specifically through subgrantee site visits, and could not sufficiently determine whether subgrantees were complying with grant requirements nor assess subgrantee progress in achieving preparedness goals and objectives. The State did not comply with financial management requirements, resulting in deficiencies that included incomplete subgrantee award and reimbursement documentation, and inadequate coordination between the program office and the administrative office responsible for payment of invoices.

### What We Recommend

Assistant Administrator, Grants Program Directorate, FEMA require the State to:

- Develop specific, measurable, achievable, results-oriented, and time-limited strategic goals and objectives.
- Develop performance measures and collect and analyze performance data from subgrantees to measure progress towards achieving goals and objectives.
- Establish policies and procedures to enforce property management requirements for equipment purchased by subgrantees with federal funds.
- Establish policy and subgrantee monitoring procedures that include the frequency of on-site visits, selection methodology, and protocols for reviewing financial and performance related activities during the visits.
- Revise the State Administrative Agency's existing financial internal control system to ensure a comprehensive accounting of individual subgrantee finances from initial award to grant close-out.