

Department of Homeland Security **Office of Inspector General**

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






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Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

November 7 2013

MEMORANDUM FOR: Brian E. Kamoie
Assistant Administrator
Grant Programs Directorate
Federal Emergency Management Agency

FROM: Anne L. Richards 
Assistant Inspector General for Audits

SUBJECT: *Guam's Management of Homeland Security Grant Program Awards for Fiscal Years 2009 Through 2011*

Attached for your action is our final report, *Guam's Management of Homeland Security Grant Program Awards for Fiscal Years 2009 Through 2011*. We incorporated the formal comments from the Office of Policy, Program Analysis and International Affairs and the Territory of Guam in the final report.

The report contains 10 recommendations aimed at improving the overall effectiveness of the Territory's management of State Homeland Security Program grants. Your office concurred with all of the recommendations. Based on information provided in your response to the draft report, we consider recommendations 2 and 3 closed, and recommendations 5 through 10 resolved and open. Once your office has fully implemented the recommendations, please submit a formal closeout letter to us within 30 days so that we may close the recommendation(s). The memorandum should be accompanied by evidence of completion of agreed-upon corrective actions and of the disposition of any monetary amounts.

Recommendations 1 and 4 remain unresolved. As prescribed by the *Department of Homeland Security Directive 077-01, Follow-Up and Resolutions for Office of Inspector General Report Recommendations*, within 90 days of the date of this memorandum, please provide our office with a written response that includes your (1) agreement or disagreement, (2) corrective action plan, and (3) target completion date for each recommendation. Also, please include responsible parties and any other supporting documentation necessary to inform us about the current status of the recommendation.

Please email a signed PDF copy of all responses and closeout requests to OIGAuditsFollowup@oig.dhs.gov. Until we receive and evaluate your response, recommendations 1 and 4 are open and unresolved.



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Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to appropriate congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact John E. McCoy II, Deputy Assistant Inspector General for Audits, at (202) 254-4100.

Attachment



September 23, 2013

Ms. Anne L. Richards
Assistant Inspector General for Audits
Office of Inspector General
U.S. Department of Homeland Security
245 Murray Drive, S.W., Building 410
Washington, DC 20528

Dear Ms. Richards,

Williams, Adley & Company, LLP performed an audit of the Territory of Guam's management of the Department of Homeland Security's State Homeland Security Program grants for fiscal years 2009 through 2011. The audit was performed in accordance with our Task Order No. TPDFIGBPA100008, dated September 24, 2012. This report presents the results of the audit, and includes recommendations to help improve the Territory's management of the audited State Homeland Security Program grants.

Our audit was conducted in accordance with applicable *Government Auditing Standards*, 2011 revision. The audit was a performance audit, as defined by Chapter 2 of the *Standards*, and included a review and report on program activities with a compliance element. Although the audit report comments on costs claimed by Territory, we did not perform a financial audit, the purpose of which would be to render an opinion on the Territory's financial statements, or the funds claimed in the Financial Status Reports submitted to the Department of Homeland Security.

We appreciate the opportunity to have conducted this audit. Should you have any questions or need further assistance, please contact us at (202) 371-1397

Sincerely,

A handwritten signature in cursive script that reads 'Charbet M. Duckett'.

Charbet M. Duckett
Partner



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Abbreviations

BSIR	Biannual Strategy Implementation Report
DHS	Department of Homeland Security
FEMA	Federal Emergency Management Agency
FFR	Federal Financial Report
FY	fiscal year
GHSOCD	Guam Homeland Security Office of Civil Defense
HSGP	Homeland Security Grant Program
MOU	Memorandum of Understanding
OIG	Office of Inspector General
SAA	State Administrative Agency
SHSP	State Homeland Security Program
SOP	standard operating procedures
SPR	State Preparedness Report
THIRA	Threat and Hazard Identification and Risk Assessment



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Executive Summary

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 (OIG), to audit individual States' management of State Homeland Security Program grants. This report responds to the reporting requirement for the Territory of Guam (Territory) and its State Homeland Security Program grants.

The objectives of the audit were to determine whether the Territory distributed and spent State Homeland Security Program grant funds (1) effectively and efficiently and (2) in compliance with applicable Federal laws and regulations. We also addressed the extent to which grant funds enhanced the Territory's ability to prevent, prepare for, protect against, and respond to natural disasters, acts of terrorism, and other man-made disasters. The audit included a review of approximately \$4.1 million in State Homeland Security Program grants awarded to the Territory during fiscal years 2009 through 2011.

In most instances, the Territory spent grant funds in accordance with applicable Federal laws and regulations. However, we identified several areas in which the Federal Emergency Management Agency (FEMA) and the Territory can improve its management of State Homeland Security Program grants. Specifically, the Territory needs to revise its State Homeland Security Strategy to include measurable objectives with realistic target dates for completion, perform periodic assessments of improved preparedness, and retain documentation for its vulnerability assessments. The Territory also needs to improve its subgrant management.

As a result of the issues discussed in the report, the Territory could not fully assess whether State Homeland Security Program funding enhanced its preparedness and security. These issues existed because FEMA and the Territory did not provide sufficient guidance, written policies and procedures, and oversight of the grant process. Our 10 recommendations call for FEMA to initiate improvements which, when implemented, should help strengthen program management, performance, and oversight. FEMA and the Territory concurred with all of the recommendations. Written comments to the draft report are incorporated as appropriate and are included in appendix B.



Background

DHS provides Federal funding through the Homeland Security Grant Program (HSGP) to help State and local agencies enhance capabilities to prevent, protect against, respond to, and recover from terrorist attacks and major disasters. Within DHS, FEMA is responsible for administering the HSGP. To support preparedness, FEMA develops policies, ensures that adequate plans exist and are validated, defines capabilities required to address threats, provides resources and technical assistance to States, and synchronizes preparedness efforts throughout the Nation. The State Homeland Security Program (SHSP) grant is one element of the HSGP, designed to fund a wide range of preparedness activities, including planning, organization, equipment purchase, training, exercises, and management and administration costs. Appendix C contains a detailed description of the interrelated grant programs that constitute the HSGP.

HSGP guidance requires the Governor of each State and Territory to designate a State Administrative Agency (SAA) to apply for and administer grant funding awarded under the HSGP. The SAA is the only entity eligible to apply for HSGP funds. The Governor of the Territory designated the Guam Homeland Security Office of Civil Defense (GHSOCD) as the SAA, the entity responsible for administering the Homeland Security Grant Program. The SAA is responsible for managing the grant programs in accordance with established Federal guidelines and allocating funds to the Territory's agencies. The GHSOCD organization is depicted in appendix D.

The Territory received \$4.1 million in SHSP funds during fiscal years (FY) 2009, 2010, and 2011. SHSP supports the implementation of State Homeland Security Strategies to address the identified planning, organization, equipment, training, and exercise needs to prevent, protect against, mitigate, respond to, and recover from acts of terrorism and other catastrophic events.

Due to the relatively small size of the Territory's funding, the SAA was not required to subgrant funds to local jurisdictions. However, in 2009 and 2010, the SAA awarded SHSP funds to a total of five Territory-level government agencies. These agencies provide prevention, preparation, protection, and response to the entire Territory. In 2011, no SHSP funds were subgranted.



Results of Audit

In most instances, the SAA spent SHSP grant funds in compliance with applicable Federal laws and regulations. However, we identified areas in which FEMA and the Territory can improve management of SHSP grant programs:

- Strategic planning, performance measurement, and document retention,
- Progress and financial reporting, and
- Subgrant management.

As a result, the SAA (1) could not fully assess whether SHSP funding enhanced its preparedness and security; (2) may have hampered its and FEMA's ability to effectively and efficiently monitor the grant expenditures, and (3) negatively affected planning and delayed the expenditure of grant funds.

Strategic Planning, Performance Measurement, and Document Retention

The SAA's process for strategic planning contained weaknesses that minimize the program's effectiveness. Specifically:

- The State Homeland Security Strategy was outdated;
- The strategy's goals and objectives were not specific or measurable;
- The Territory's Homeland Security Program's effectiveness was not measured; and
- Supporting documentation for the threats, risks, and vulnerability assessments were not retained.

Consequently, the SAA was unable to demonstrate improvements to its approach to all hazards as funded by Federal grant funds, and did not have a basis for measuring improvements in its preparedness and response capabilities.

State Homeland Security Strategy Was Outdated

The Territory did not have a current State Homeland Security Strategy. The SAA had not updated the Strategy since October 18, 2005. The Strategy contained outdated objectives, many of which had 2006 or 2007 target completion dates. Because the Strategy was not revised, the objectives and steps in the strategy did not necessarily reflect the current objectives of the Territory.



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The State Homeland Security Strategy is the basis for requesting funds. Funds received as part of the SHSP are provided to implement the goals, objectives, and steps contained within the approved Strategy. FEMA *Guidance on Aligning Strategies with the National Preparedness Goal* (2005) states that the State and Urban Areas Homeland Security Strategies should have strong foundations that support an ongoing process of review and refinement as new lessons are learned, new priorities are realized, and new homeland security guidance is released.

Also, the Homeland Security Grant Program Guidance and Application Kit recommends revising the State Homeland Security Strategy once every two years. This will ensure that existing goals and objectives reflect all FEMA mission areas, the National Priorities, implementing the whole community approach to emergency planning and management to address the concerns and needs of local government, and existing citizen preparedness efforts.

To ensure that spending was congruent with national goals and current threats to and needs of the Territory, the Territory had a process to review, revise, and update the State Homeland Security Strategy regularly. The Territory's approved State Homeland Security Strategy included an evaluation plan that requires quarterly workgroup meetings to review and revise the strategic goals, objectives, and implementation plans. However, these meetings did not occur in FYs 2009-2011 and thus no revisions were performed to reflect the current goals and objectives.

The SAA submitted the outdated strategies to FEMA in both FYs 2010 and 2011. FEMA approved the strategies without comment. No new strategy was submitted to FEMA for approval in 2009. FEMA personnel stated that they obtained information about updates in the Territory's strategy through the annual investment justifications, which describe the equipment, trainings, and programs for which the grant funds are to be used. However, this methodology had shortcomings. Based upon our review, some investment justifications were tied to objectives in the State Homeland Security Strategy, but other justifications only offered a vague description of how the investment supported the strategy.

While annual investment justifications may have provided important information regarding the Territory's strategy, they did not provide a cohesive plan and measurable objectives like the State Homeland Security Strategy is designed to do. Without a current strategy, FEMA and the SAA could not be assured that



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actual steps performed were in line with the objectives, goals, and vision of the SAA.

Strategic Goals and Objectives Were Not Specific or Measurable

The Territory's State Homeland Security Strategy contained many objectives that were vague, non-measurable, and contained outdated or missing target completion dates. Consequently, the goals and objectives in the Territory's Strategy did not provide an adequate basis for measuring progress.

The DHS *State and Urban Area Homeland Security Strategy Guidance on Aligning Strategies with the National Preparedness Goal*, dated July 22, 2005, states that a comprehensive strategy should contain both broad based, long term goals and corresponding short term objectives that address areas of prevention, protection, response, and recovery enhancements within the State or Urban Area. In addition, the primary determinants of an overall successful strategy are the quality of the goals and performance against those goals. The guidance also states that an objective sets a tangible and measurable target level of performance over time against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate. An objective should be:

- Specific, detailed, and focused - helping to identify what was to be achieved and accomplished;
- Measurable - quantifiable, providing a standard for comparison, and identifying a specific achievable result;
- Achievable - the objective is not beyond a State, region, jurisdiction, or locality's ability;
- Results oriented - identifies a specific outcome; and
- Time-limited - a target date exists to identify when the objective will be achieved.

Table 1 includes examples where the Territory's strategy contained objectives that did not specifically identify what was to be achieved, did not include a timeline, or did not provide a standard for comparison or measurement.



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Table 1. Examples of State Homeland Security Strategy Shortcomings

Goal	Objective	Deficiencies
Goal 2 - Prevention	Objective 2-7. Strengthen local, Federal, and military partnerships through the revision and enhancement of existing MOUs and develop, if necessary, policies and protocols that address anti and counter terrorism measures, interoperability, and functionality.	The objective was not: <ul style="list-style-type: none">• Specific• Measurable• Time-limited
Goal 3 – Preparedness and Prevention	Objective 3-1. Based on training received, continue to provide 1st responders with specialized equipment to respond to potential threats of terrorism through September 2007.	The objective was not: <ul style="list-style-type: none">• Specific• Measurable• Current
Goal 4 – Preparedness and Response	Objective 4-1. All disciplines will have the proper specialized equipment to effectively respond to any and all terrorist and/or Chemical, Biological, Radiological, Nuclear, and Explosive Weapons incident by December 2007.	The objective was not: <ul style="list-style-type: none">• Specific• Measurable• Current

Source: FY 2010 State Homeland Security Strategy and auditor analysis

Although many of the objectives in the Territory’s State Homeland Security Strategy were not specific, measurable, or contained relevant target completion dates, these strategies were approved by FEMA in FY 2010 and FY 2011, without comment or revision. Without measurable and achievable goals and objectives, and a process to collect objective, results-oriented data, the SAA did not have a basis to evaluate the effectiveness of grant fund expenditures on the response capabilities of first responders.

Additionally, vague, non-measurable goals and objectives may impede FEMA’s ability to assess overall program effectiveness and impact, and to report results to Congress, the Office of Management and Budget, and the President.

Effectiveness of the State Homeland Security Grant Program Was Not Measured

The SAA did not adequately track improved preparedness, gaps, deficiencies, or excesses of the State Homeland Security Program. Furthermore, the SAA had not



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developed metrics to compile and analyze preparedness data to determine whether the objectives of the program were being met.

Although the GHSOCD Planning and Operations Group regularly assessed preparedness, risks, and needs of the Territory as a whole, the group did not assess these as they specifically related to the SHSP funding. For example, the Planning and Operations Group met monthly or quarterly to determine the fuel, water, and shelter plans in case of a typhoon or other disasters. The results of these meetings were used to update the Catastrophic Typhoon Plan, as well as other planning documents. These documents contained information regarding how prepared the Territory was in case of a typhoon, and what was still needed to protect citizens and critical infrastructure, but was not evaluated against SHSP funding. As a result, the SAA could not determine the impact of its SHSP investments on the Catastrophic Typhoon Plan.

Also, the SAA did not have a system to measure the effect of training. Statistics on training conducted or the participants in training were not being collected or analyzed. Training can be a key factor in improving the preparedness of the Territory. Without a system for compiling and analyzing the number of people trained or the effect of this training, the SAA could not readily determine whether their objectives related to training had been met.

Measuring improved preparedness allows the SAA, FEMA, and DHS to get an accurate view of the outcomes of the program. Without these measurements, FEMA and DHS may not have had enough meaningful information to determine the impact of the program, which could affect their ability to report outcomes under the Government Performance and Results Act of 1993 and submit the National Preparedness Report as required under Presidential Policy Directive/PPD-8.

Support for Threats, Risks, and Vulnerabilities Data Was Not Retained

The SAA could not provide us documentation to support reported hazard and risk figures included in the Hazard Mitigation Plan or other assessment reports. This occurred because the SAA did not have written policies and procedures to maintain documentation to support the source of risks, threats, and vulnerability data. SAA officials said that because of the turnover in key leadership positions during the audit period, personnel that may have held knowledge or documents were not available.



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The SAA's threat and vulnerability reports were compiled by the response activity coordinators representing various Government of Guam agencies. The response activity coordinators met quarterly or monthly to review threats, risks, vulnerabilities, and the preparedness of the Territory. Based on the conclusions reached in the meetings and any additional research performed, the Planning and Operations Section updated the Hazard Mitigation Plan (April 2011), State Preparedness Reports, and their Threats/Hazards in the Risk Assessment report. The SAA did not have documentation of participation by the response activity coordinators in the monthly/quarterly discussions.

The SAA did not have policies and procedures for the strategic planning, measurement, and documentation processes. This negatively affected its ability to update the State Homeland Security Strategy and to assess improved preparedness, gaps, excesses, and deficiencies of its implementation of the State Homeland Security Grant Program.

According to SAA officials, the SAA also typically experienced very high personnel turnover, due mainly to changes in the Government of Guam administration and a shortage of permanent positions within the agency. At the time of our audit, the vast majority of employees at the SAA were "*classified employees*," meaning employees that can be replaced at will by the Governor. This had been a relatively common occurrence in recent years, and continuity had been a major challenge for the SAA. For instance, during the past two years, there have been three different Homeland Security Advisors and two different Grants Managers. Due to high personnel turnover and because written policies and procedures did not exist, SAA personnel were unclear about which individual or group was responsible for updating the State Homeland Security Strategy and conducting performance measurement activities.

Insufficient documentation limited FEMA's ability to determine the accuracy of reported risk and vulnerability data and could have made the evaluation process more difficult in the event of turnover of SAA staff.

In April 2012, FEMA required State and local governments that receive FEMA preparedness grants to complete a Threat and Hazard Identification and Risk Assessment (THIRA) by December 31, 2012. The THIRA provides a comprehensive approach for identifying and assessing risks and associated affects, using the core capabilities identified in the National Preparedness Goal. In addition to the THIRA, States and Territories receiving FEMA preparedness grants are required to annually submit a State Preparedness Report. FEMA officials stated that THIRA results and the State Preparedness Report would



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provide a quantitative summary of preparedness. However, we did not review the THIRA process because it was not within the scope of our review. See appendix E for more information about the THIRA.

Recommendations

We recommend that the FEMA Assistant Administrator, Grant Programs Directorate:

Recommendation #1:

Advise the SAA to develop formal written policies and procedures to:

- Regularly evaluate, assess, and revise the State Homeland Security Strategy to reflect current objectives of the Territory, and
- Establish goals, objectives, and implementation steps.

Recommendation #2:

Require the SAA to update the State Homeland Security Strategy to:

- Reflect current goals, objectives, steps, timeframes, and measurements; and
- Contain specific, measurable, and time-limited goals and objectives that would serve as the baseline to measure improved preparedness.

Recommendation #3:

Require the SAA to routinely gather quantitative and qualitative data to allow the SAA to determine if it has accomplished its domestic preparedness goals and objectives.

Recommendation #4:

Require the SAA to retain sources of information and documentation used to develop and compile threat and hazard analyses.

Management Comments and Auditor Analysis

Management comments to recommendation 1. At our exit conference with FEMA to discuss the findings and recommendations as presented in the draft report, we agreed to separate the third bullet in recommendation 1 into a distinct recommendation. This newly created recommendation 4 will permit



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FEMA to address potential corrective actions more effectively. We have also relabeled the subsequent recommendations 4 through 9 as 5 through 10.

FEMA and the Territory concurred with the recommendations. FEMA did not specifically address recommendations 1 or 4. These recommendations were intended to ensure policies and procedures exist to assist the SAA in executing its grant management functions and retain supporting documentation. The recommendations will remain unresolved and open until FEMA provides suitable corrective action plans and target completion dates.

Regarding recommendations 2 and 3, according to FEMA, it has established and implemented a system to help states, territories and urban areas establish measurable goals and objectives that will enable them to measure improvements in capabilities and preparedness. The National Preparedness Goal and the National Preparedness System serves as the framework for assessing grant effectiveness. FEMA has developed and is implementing performance assessments that measure progress toward achieving the Goal. The THIRA will be used to create a baseline and targets for FY 2013 and beyond. FEMA has also redesigned the State Preparedness Report (SPR) to help states demonstrate and track preparedness improvement over time. The SPR is a standardized capability assessment that compares the THIRA targets to current capability, and documents any gaps that exist. Finally, the use of the THIRA, SPR and the investment justifications methodology provides the goals and assessment of progress against those goals.

According to FEMA, the Territory has submitted its FY 2012 THIRA and SPR, and submitted investment justifications based on its THIRA and SPR.

We consider FEMA's and the Territory's actions responsive to the intent of recommendation 2 and 3. These recommendations are considered resolved and closed.

Progress and Financial Reporting

The SAA did not submit Federal Financial Reports (FFR) and biannual progress reports (Biannual Strategy Implementation Reports, or "BSIR") within the specified timeframes. Additionally, some BSIRs were not submitted at all.

The SAA was required by the grant award and grant guidance to submit quarterly FFRs and biannual BSIRs, which provided updated obligation and expenditure



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information to FEMA. These reports were due within 30 days of the end of each reporting period.

For the FY 2009, 2010, and 2011 grants, the SAA submitted 17 out of 27 FFRs late as shown in table 2 below:

Table 2. Summary of Late Federal Financial Reports

Grant Year	To	Submission Due Date	Actual Submission Date	Days Overdue
2009	09/30/2009	10/30/09	10/31/09	1
	06/30/2010	07/30/10	08/24/10	25
	09/30/2010	10/30/10	11/02/10	3
	03/31/2011	04/30/11	05/02/11	2
	06/30/2011	07/30/11	07/31/11	1
	12/31/2011	01/30/12	01/31/12	1
	03/31/2012	04/30/12	05/06/12	6
	06/30/2012	07/30/12	08/22/12	23
09/30/2012	10/30/12	10/31/12	1	
2010	09/30/2010	10/30/10	07/31/11	274
	12/31/2010	01/30/11	07/31/11	182
	12/31/2011	01/30/12	01/31/12	1
	03/31/2012	04/30/12	05/06/12	6
	06/30/2012	07/30/12	08/22/12	23
2011	03/31/2012	04/30/12	05/06/12	6
	06/30/2012	07/30/12	08/22/12	23
	09/30/2012	10/30/12	10/31/12	1

Source: Auditor analysis of FFR data

Also, the FFR for the period ending September 30, 2010 (for FY 2009) did not contain the correct drawdown amount. The drawdown amount reported was \$0, but the FFR should have shown a drawdown amount of \$147,142. This error was corrected in the next reporting period, March 31, 2011.

BSIRs were due twice per year, but many BSIRs were not submitted. Of the 12 BSIRs that should have been submitted for FY 2009 through FY 2011, only 3 BSIRs were actually submitted (FY 2009 Grant: December 2009, June 2010, and December 2010). The remaining 9 BSIRs were not submitted.

The SAA did not have an adequate process to ensure that the FFRs and BSIRs were submitted within the 30 day requirement. Furthermore, its Financial Standard Operating Procedures required submission of FFRs within 45 days of



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period end, a timeframe that was incongruent with SHSP requirements. The SAA did not have a written policy to ensure the timely submission of BSIRs.

There had also been high turnover in key positions within the SAA. New staff had not been trained on how to prepare and submit BSIRs.

The quarterly FFR and biannual BSIRs were designed to provide DHS and FEMA with financial and programmatic information about the grant program that could be used to monitor the implementation of the program. Therefore, the ability to effectively and efficiently monitor the grant expenditures for the Territory could be hampered by the untimely submission of the FFRs and non-submission of the BSIRs. Also, per its grant award, the Territory could be prohibited from drawing down funds while those FFRs and BSIRs are delinquent, thereby precluding the Territory from improving its ability to prevent, protect against, respond to, and recover from acts of terrorism and other catastrophic events.

Recommendations

We recommend that the FEMA Assistant Administrator, Grant Programs Directorate:

Recommendation #5:

Require the SAA, in conjunction with Guam's Department of Administration, to develop and update, as necessary, policies, procedures, and controls to ensure timely submission of financial and progress reports in accordance with the grant guidelines.

Recommendation #6:

Instruct the SAA management to obtain training for the staff on FFR and BSIR reporting and submission process and deadlines, and communicate to all relevant employees the 30-day due date for the FFR and BSIR submissions.

Recommendation #7:

Enforce the FFR and BSIR submission requirements and provide technical assistance as needed to facilitate timely submission.



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Management Comments and Auditor Analysis

FEMA and the Territory concurred with the recommendations. FEMA will require the SAA to develop a handbook or standard operating procedures (SOP) within 180 days, will work with the SAA on its design and development, and will ensure that reporting requirements are included in the financial and programmatic SOP. FEMA will require the SAA to submit all outstanding BSIR submissions within 90 days.

We consider FEMA’s actions responsive to the intent of recommendation 5, 6, and 7. These recommendations are resolved and will remain open until FEMA provides evidence of receipt of all BSIRs and development and implementation of a new SOP and staff guidance.

Subgrant Management

The SAA did not allocate subgrant funds in a timely manner, nor provide sufficient monitoring of subgrantees. As a result, subgrantee difficulties with project implementation went undetected or unaddressed by the SAA for the FY 2009 grant, resulting in the expiration and return of \$28,645 to FEMA.

The Territory subgranted SHSP funds to four Territory-level agencies in FY 2009, and one in FY 2010. The subgranted funds were primarily used for equipment and training. According to SAA officials, in FY 2011, the Territory did not have any subgrantees so that the funding could be focused on establishing a regional fusion center. The subgrantees for FY 2009 and FY 2010 are summarized below:

Table 3. Subgrant activity

Grant Year	Subgrantee	Amount
FY 2009	Guam Police Department	\$157,000
	Department of Public Health and Social Services	50,000
	Port Authority of Guam	50,000
	Customs & Quarantine Agency	10,000
FY 2010	Guam International Airport Authority	\$141,125

Source: Guam Homeland Security Office of Civil Defense

The Government of Guam required that each subgrant have a memorandum of understanding (MOU) between the grantee and the subgrantee. These MOUs required multiple signatures and required extensive time to complete. Additionally, administrative accounts were to be established in the Territory’s



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accounting system before disbursements or receipts could begin at the individual agencies. The Port Authority and Guam International Airport were independent agencies, meaning that they recorded expenditures in their own accounting system and submitted invoices to the SAA for reimbursement. The other three agencies were on the same accounting system as the SAA. Once subgrantee accounts were established in the accounting system, these agencies could make purchases using SHSP funds. The establishment of accounts could also be time-consuming.

Untimely Allocation of Funds to Subgrantees

The SAA did not allot funding to subgrantees in a timely manner for FY 2009 and FY 2010. The primary factors that led to the delay in allotment of subgranted funds were lengthy signature process for the MOUs and work requests, and delays in establishing the primary administrative account. The time between grant award and allotment ranged from five months to more than a year and a half, as summarized in table 4 below:

Table 4. Delay in Allotment of Subgranted Funds

Grant	Subgrantee	Grant Award Date	Date funds allotted to subgrantee	Days between award date and date of allotment
FY 2009	Dept. of Customs & Quarantine	08/21/09	03/29/11	605
	Dept. of Public Health and Social Services		10/22/10	447
	Guam Police Department		11/11/10	467
	Port Authority of Guam		03/05/11	581
FY 2010	Airport Authority of Guam	08/01/10	01/07/11	159

Source: Auditor analysis of grant awards and subgrant award documents

With an extended period of performance end date of December 31, 2012, the FY 2009 subgrantees had two years or less to expend the funds before they expired.

In order for a subgrantee to begin expending funds, it must sign a MOU with the grantee. Various levels within the SAA, the Governor, the Office of the Attorney General, the Director of the Bureau of Budget Management Records, and others as necessary must also sign the MOU. Obtaining all required signatures could be a lengthy process, and frequent turnover in key positions at both the SAA and subgrantee level had made the MOU process more difficult.

After the MOU had been signed, a work request must also be prepared in order for the subgrantee to begin drawing on their allotted funds. For the Department of Public Health and Social Services and the Guam Police Department, the work



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requests were not completed until October 2011 and March 2011, respectively. This further reduced the amount of time the subgrantees had to expend their funds to 14 months and 21 months, respectively. The delay in establishing a work request was also due primarily to the signature requirements and changes in administration.

In addition, the Bureau of Budget Management Records must establish the main administrative account in the accounting system prior to setting up a subgrantee account. For FY 2009, the main account was not established until six months after grant award, and for FY 2010, it was five months, thus delaying the allocation to the subgrantees.

Untimely allotment of funds to subgrantees prevented the SAA from purchasing and receiving the equipment, training, and exercises it needed in a timely manner, which could have affected the Territory's ability to respond in the event of a disaster. For example, the Port Authority of Guam requested FY 2009 funding to purchase a fully equipped emergency response vehicle to address a shortage of emergency response vehicles available to protect the Territory's ports in case of an emergency. Due to the one and a half year delay in receiving grant funds, the Port Authority was unable to purchase the vehicle until three years after the initial request. This delay could have affected its emergency response during that period.

The SAA Did Not Sufficiently Monitor Subgrantees

The SAA did not sufficiently monitor subgrantees. The SAA's monitoring activities did not include a written plan or monitoring schedule that identified the individual or department responsible for performing the site visits, the information that should be obtained, documentation requirements, frequency of site visits, or instructions and conditions for follow up visits. To determine the performance of the subgrantees, the subgrantee MOU required quarterly progress reports. These reports showed the amount expended and allowed the subgrantee to indicate whether they were experiencing any problems implementing the program. However, these progress reports were not adequate to assess the performance of the subgrantee or to assess their strengths and areas for improvement.

The SAA did not have written policies and procedures for subgrantee monitoring that included financial, performance, and equipment activities. The process also did not encourage early planning for MOU preparation or financial monitoring of spending to ensure that reallocation was addressed early.



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Insufficient monitoring was also noted in FEMA's 2010 monitoring visit. According to the SAA, it developed a site visit plan and began performing site visits in November 2012 to respond to FEMA's recommendation. However, the SAA did not have a copy of the monitoring plan or the written results of the monitoring visits. The SAA provided us a list of seven site visits performed since November 2012. These visits were primarily equipment related and did not address financial activities or programmatic accomplishments.

Without a system to monitor subgrantee program compliance, the SAA could not determine whether program goals were met, preparedness was improved, or funds were being expended in accordance with the MOU and grant requirements. Also, the Territory had an increased risk of misappropriation or misuse of assets purchased with grant funds.

In summary, due to the delay in allotment of funds, the subgrantees only had two years or less to spend their entire subaward. Because of this shortened timeframe, three of the four subgrantees required extensions to their MOUs, and the SAA required a grant extension from FEMA. Even with these extensions, two of the subgrantees did not expend their funds until the last month of the extension period. Because of insufficient monitoring, subgrantee difficulties with project implementation went undetected or unaddressed by the SAA for the FY 2009 grant. One FY 2009 subgrantee did not spend their allotted grant funds by the deadline, resulting in the expiration and return of \$28,645 to FEMA. If the SAA had adequate subgrantee monitoring procedures in place, these subgrantee issues may have been identified and addressed in a timely manner.

Recommendations

We recommend that the FEMA Assistant Administrator, Grant Programs Directorate:

Recommendation #8:

Require the SAA to assess the administrative subgrantee obligation approval process to determine areas for increased efficiencies.



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Recommendation #9:

Require the SAA to provide instructions to, and coordinate with, subgrantees in advance of grant award to determine MOU signature requirements and ensure required signatures are obtained as quickly and efficiently as possible.

Recommendation #10:

Require the SAA to develop, document, and implement a system for monitoring and assessing subgrantee performance, including regular site visits of subgrantees that address programmatic and financial performance.

Management Comments and Auditor Analysis

FEMA and the Territory concurred with the recommendations. FEMA will require the SAA to assess and streamline processes and procedures for obligating and reimbursing funds to subgrantees within 90 days. The SAA will also be required to provide a written policy for subawards between or with the Territory's agencies that receive HSGP funding, and develop policies and procedures related to timeliness of subobligations and subgrantee performance, with technical assistance from FEMA.

We consider FEMA's actions responsive to the intent of recommendation 8, 9, and 10. These recommendations are resolved and will remain open until FEMA provides evidence of the preparation and implementation of the written policies and procedures related to subgrantee obligations and monitoring.



Appendix A

Objectives, Scope, and Methodology

DHS OIG was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the Department.

This report provides the results of our work to determine the plans developed by the Territory to improve preparedness and all hazards response, the goals set within those plans, the measurement of progress towards the goals, and the assessments of performance improvement that result from this activity. Further, the scope included the assessment of these activities within the context of risk to determine if the Territory's plans produced strategic performance improvements related to the highest areas of risk rather than merely producing improvements in a broader sense.

Together, the entire Homeland Security Grant Program and its five interrelated grant programs fund a range of preparedness activities, including planning, organization, equipment purchase, training, exercises, and management and administration costs. Because of the interrelationship of these grant programs, all were considered when evaluating the planning cycle and the effectiveness of the overall grant program. However, only State Homeland Security Program funding, and equipment and programs supported by the grant funding, were reviewed for compliance.

We visited seven total sites, including the State Administrative Agency (Guam Homeland Security Office of Civil Defense), Guam's General Services Agency, and the following five subgrantees:

- Port Authority of Guam
- Airport Authority of Guam
- Department of Customs and Quarantine
- Department of Public Health and Social Services
- Guam Police Department

The scope of the audit included the State Homeland Security Program grant awards for FYs 2009, 2010, and 2011, as shown in table 5.



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Table 5. SHSP Awards to Guam FYs 2009 through 2011

Grant Program	FY 2009	FY 2010	FY 2011	Total
SHSP	\$1,430,000	\$1,469,600	\$1,157,680	\$4,057,280

Source: FEMA

The team reviewed a statistical sample of the State Homeland Security Program grant's expenditures representing 42 percent of the dollar value expended for all grant years to determine the sufficiency of internal controls.

We conducted this performance audit between October 2012 and April 2013, pursuant to the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.

Although this audit included a review of costs claimed, we did not perform a financial audit of those costs. This was a performance audit as defined by Chapter 2 of the *Government Auditing Standards*, and included a review and report of program activities with a compliance element.



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Appendix B
Management Comments to the Draft Report

U.S. Department of Homeland Security
Washington, DC 20472



FEMA

AUG 22 2013

MEMORANDUM FOR: Anne L. Richards
Assistant Inspector General for Audits (OIG)
Department of Homeland Security

FROM: *fo* (David J. Kaufman *DJKM*)
Associate Administrator for
Policy, Program Analysis and International Affairs
Federal Emergency Management Agency (FEMA)

SUBJECT: FEMA's Response to OIG-12-124-AUD-FEMA Draft Report
"Guam's Management of State Homeland Security Program
Grants Awarded During Fiscal Years 2009-2011".

Thank you for the work you and your team did to better inform us through this audit; as well as for the opportunity to review and comment on OIG-12-124-AUD-FEMA Draft Report "Guam's Management of State Homeland Security Program Grants Awarded During Fiscal Years 2009-2011". The final report contains nine (9) recommendations, of which, FEMA concurs with all 9 recommendations. FEMA has provided a consolidated response for recommendations 1-3. FEMA is requesting closure of recommendations 1-3 and resolved and open for recommendations 4-9.

OIG Recommendation 1: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate advise the SAA to develop formal written policies and procedures to:

- Regularly evaluate, assess, and revise the State Homeland Security Strategy to reflect current objectives of the Territory;
- Establish goals, objectives, and implementation steps; and
- Retain sources of information and documentation used to develop and compile threat and hazard analyses.

FEMA Response to Recommendation 1: *Concur. (See consolidated response below for recommendations 1-3)*

OIG Recommendation 2:

We recommend that the FEMA Assistant Administrator, Grant Programs Directorate require the SAA to update the State Homeland Security Strategy to:

- Reflect current goals, objectives, steps, timeframes, and measurements; and
- Contain specific, measurable, and time-limited goals and objectives that would serve as the baseline to measure improved preparedness.

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FEMA Response to Recommendation 2: Concur. (See consolidated response below for recommendations 1-3)

OIG Recommendation 3: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate require the SAA to routinely gather quantitative and qualitative data to allow the SAA to determine if it has accomplished its domestic preparedness goals and objectives.

FEMA Consolidated Response to Recommendations 1-3: Concur. The OIG has recommended that FEMA help states, territories and urban areas establish measurable goals and objectives that will enable them to systematically measure improvements in first responder capabilities and statewide preparedness. FEMA has established and implemented a system to do exactly that, as described below.

FEMA has made substantial progress in the measurement of grant effectiveness. Among other changes, the National Preparedness Goal (the Goal) and the National Preparedness System now serve as the framework for assessing grant effectiveness. FEMA's strategy for developing metrics and assessing grant performance begins with the Goal.

The Goal defines the core capabilities necessary to prepare for the threats and hazards that pose the greatest risk to the security of the Nation; this includes concrete, measurable objectives to manage those risks. The Goal's capability targets provide concrete statements of the Nation's requirements in each core capability.

Measuring Grant Effectiveness

As part of the National Preparedness System, FEMA has developed and is implementing performance assessments that measure progress toward achieving the Goal. FEMA's strategy is to base assessments on the principles that the Nation needs to understand existing risks, use those risks to determine required capabilities, assess current capability levels against those requirements, and track its progress in closing identified capability gaps.

In 2012, FEMA released a consistent methodology for determining risks in the Comprehensive Preparedness Guide 201: Threat and Hazard Identification and Risk Assessment (THIRA) Guide (CPG-201). CPG-201 details a five-step process jurisdictions can use to achieve desired outcomes and capability targets for each of the core capabilities. This approach allows a jurisdiction to establish its own capability targets based on the risks it faces.

On December 31, 2012, states, territories, and major urban areas receiving Homeland Security Grant Program (HSGP) funds were required to submit their THIRAs to FEMA. Once each jurisdiction has determined capability targets through the THIRA process, it estimates its current capability levels against those targets.

Also in 2012, states and territories were required to submit State Preparedness Reports (SPRs) to FEMA. The THIRA and SPR processes are scalable to allow sub-jurisdictions, sub-grantees and subject matter experts to provide input to the state or territory. Taken together, the THIRA



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results and the SPR identify capability needs and gaps. The THIRA and SPR results highlight gaps in capability and the progress of grantees in closing those gaps over time. FEMA reports the results of the capability assessments annually in the National Preparedness Report (NPR).

Sustaining, Building and Delivering Capabilities

Having estimated capability requirements, the next component of the National Preparedness System is to build and sustain capabilities. This step ties grant investments directly to needs and shortfalls. Grantees address documented capability requirements and gaps in their grant applications. In the Investment Justifications (IJ) submitted in the grant application, grantees must specifically identify the core capability or capabilities, the priority of the core capability as well as the capability gaps noted in their SPR that investment intends to address.

In addition, the grantee must identify the specific outcome(s) that the investment will yield. FEMA verifies completion of the investment/project through its programmatic monitoring and spending on the investment through the Biannual Strategy Implementation Report (BSIR), also a tool used in the monitoring process. Since the period of performance for the Homeland Security Grant Program is two years, a time limit is set for completion of the project once it is funded.

FEMA addressed the OIG recommendation for States to establish SMART goals and objectives that will enable States and Territories to systematically measure improvements in first responder capabilities and statewide preparedness by requiring states to use a set of tools including the THIRA, SPR, and IJ's. Strategy updates are encouraged but not required as the THIRA, SPR and IJ methodology provide the goals and assessment of progress against those goals.

Finally, CPG 201: Threat and Hazard Identification and Risk Assessment Guide Supplement 1: Toolkit provides all the required templates to complete the THIRA process including information and documentation used to develop and compile threat and hazard information. As the THIRA will be an annual iterative process, subsequent iterations will build on the documents from previous years.

Guam has submitted their FY 2012 THIRA and SPR. In accordance with the FY 2013 Homeland Security Grant Program Funding Opportunity Announcement, Guam has submitted investment justifications based on their THIRA and SPR."

FEMA believes that use of the THIRA, SPR and IJ satisfies the intent of these recommendations and requests that they be closed.

OIG Recommendation 4: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate require the SAA, in conjunction with Guam's Department of Administration, to develop and update, as necessary, policies, procedures, and controls to ensure timely submission of financial and progress reports in accordance with the grant guidelines.



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FEMA Response to Recommendation 4: Concur. FEMA will require within 180 days of the date of the final report that the SAA develop a handbook for staff that can be used as a guide or standard operating procedure (SOP), which will include policies and procedures to ensure all required financial and/or progress reports are submitted on time. The guide will be designed as a hand off document that new or existing staff can use to guide them through the various financial and programmatic reporting requirements. The FEMA program analyst (PA) will work closely with headquarters and regional finance managers and Guam in its design and development.

FEMA believes this action will satisfy the intent of the recommendation and the recommendation should remain resolved and open pending the submission of a Homeland Security Grant Program (HSGP) financial and programmatic reporting SOP.

OIG Recommendation 5: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate instruct the SAA management to obtain training for the staff on FFR and BSIR reporting and submission process and deadlines, and communicate to all relevant employees the 30-day due date for the FFR and BSIR submissions.

FEMA Response to Recommendation 5: Concur. FEMA will require within 180 days of the date of the final report that the SAA develop a handbook for staff that can be used as a guide or standard operating procedure (SOP), which will include policies and procedures to ensure all required reports are submitted on time. The guide will be designed as both a hand off document for the training and indoctrination of new staff, and as a refresher / reference guide for existing staff. This SOP/ Guidebook will address various financial and programmatic reporting requirements such as completion of required financial reports. The FEMA program analyst (PA) will work closely with Guam in the instruction / guidebook's design and development and implementation of the contained SOPs.

FEMA believes this action will satisfy the intent of the recommendation and the recommendation should remain resolved and open pending the submission of a HSGP financial and programmatic reporting SOP.

OIG Recommendation 6: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate enforce the FFR and BSIR submission requirements and provide technical assistance as needed to facilitate timely submission.

FEMA Response to Recommendation 6: Concur. FEMA will require the SAA to submit all outstanding BSIR submissions to GPD within 90 days of the date of the final report. The program analyst (PA) will also ensure that the SAA includes specific reporting requirements for the BSIR reports in the proposed HSGP financial and programmatic reporting SOP as found under recommendations # 4 and 5. Once the requested information is received back from the SAA, GPD will evaluate it to determine if it meets the intent of the recommendation.

FEMA feels that these steps will satisfy the intent of the recommendation, and the recommendation should remain resolved and open pending implementation of new SOP's and staff written guidance.



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Department of Homeland Security

OIG Recommendation 7: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate require the SAA to assess the administrative subgrantee obligation approval process to determine areas for increased efficiencies.

FEMA Response to Recommendation 7: Concur. FEMA will require the SAA to assess and streamline (within applicable territorial regulations) processes and procedures for obligating and reimbursing funds to sub-grantees. FEMA would like to point out that FEMA grant guidance; i.e., Homeland Security Grant Program (HSGP) Funding Opportunity Announcement (FOA), does not require Guam to establish a sub-grantee pass through policy or mechanism to sub award grant program funds. Guam will be required to establish a written policy to sub award grant program funds between or with Guam State Agencies who receive HSGP funding. The SAA will report to FEMA what steps Guam intends to take to sub obligate funds to Guam's sub-grantees.

The grantee shall be asked to respond within 90 days of the date of the final report FEMA feels that once fully implemented, the measures proposed will satisfy the intent of the recommendation, and the recommendation should remain resolved and open.

OIG Recommendation 8: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate require the SAA to provide instructions to, and coordinate with, subgrantees in advance of grant award to determine MOU signature requirements and ensure required signatures are obtained as quickly and efficiently as possible.

FEMA Response to Recommendation 8: Concur. FEMA will require the SAA to develop written policies and procedures to ensure that funds when obligated to sub-grantees are within the timeframe established in the Guidance. The grantee shall be asked to respond within 90 days of the date of the date of the final report

FEMA feels that once fully implemented, the measures proposed will satisfy the intent of the recommendation, and the recommendation should remain resolved and open.

OIG Recommendation 9: We recommend that the FEMA Assistant Administrator, Grant Programs Directorate require the SAA to develop, document, and implement a system for monitoring and assessing subgrantee performance, including regular site visits of subgrantees that address programmatic and financial performance.

FEMA Response to Recommendation 9: Concur. FEMA will coordinate the provision of Grants Management Technical Assistance (GMTA) for the SAA within 90 days of the date of the date of the final report. The program analyst (PA) will work with Guam to develop templates, policies and procedures to establish monitoring protocols, and memorandum of agreement (MOA's) used by Guam to issue sub awards with grantees.

FEMA feels that once fully implemented, the measures proposed will satisfy the intent of the recommendation, and the recommendation should remain resolved and open.



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Thank you again for the opportunity to review and comment on OIG-12-124-AUD-FEMA Draft Report "Guam's Management of State Homeland Security Program Grants Awarded During Fiscal Years 2009-2011" and for the work that you and your team have done to better inform us throughout this audit so that we may enhance the program's overall effectiveness. We look forward to your final report for this audit. Please direct any questions regarding this response to FEMA's Chief Audit Liaison; Gary McKeon. His number is 202-646-1308.



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Department of Homeland Security



Eddie Baza Calvo
Governor
Ray Tenorio
Lt. Governor

GUAM HOMELAND SECURITY/OFFICE OF CIVIL DEFENSE

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Ambrosio D. Constantino, Jr.
Homeland Security Advisor
James T. McDonald
Acting Administrator

August 29, 2013

Ms. Charbet M. Duckett
Partner
Williams, Adley & Company-DC, LLP
1030 15th Street, NW Suite 350 West
Washington, DC 20005

**RE: Guam's Management of State Homeland Security Program Grants Awarded
During Fiscal Years 2009-2011: Task Order No. TPDFIGBPA100008 - September 24, 2012**

Dear Ms. Duckett:

In response to the audit that was performed on the State Homeland Security Program Grants for Guam Homeland Security/Office of Civil Defense, we are transmitting our responses and corrective action plans on findings contained in the audit report to the Office of Inspector General, Department of Homeland Security for the above-mentioned period.

1. Strategic Planning, Performance Measurement, and Document Retention:

Yes, we concur with the findings and recommendations.

Response and Proposed Action - Recommendation #1:

Develop written Standard Operating Procedures (SOP) which includes the Territorial Homeland Security Strategy. The SOP will be developed within 3 months (30 November 2013).

Response and Proposed Action - Recommendation #2:

Review and update the Territorial Homeland Security Strategy Goals and Objectives. The Territorial Homeland Security Strategy will be completed within 9 months (31 May 2014.)

Response and Proposed Action - Recommendation #3:

On a quarterly basis, review threats and hazards against territorial capabilities to determine if goals and objectives are met. Reviews will be a reoccurring event and will begin 30 September 2013.

Response and Proposed Action - Recommendation #4:

Work with Marianas Regional Fusion Center to develop a Threat & Hazard Analysis. Analysis will be a recurring product commencing on 1 October 2013.

2. Progress and Financial Reporting:

Yes, we concur with the findings and recommendations.

Response and Proposed Action - Recommendation #5:

The GHS/OCD will coordinate with Department of Administration in developing the Grants SOP, which will include reporting procedures in accordance with grant guidelines provided each year. SOP will be developed within three (3) months.



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Department of Homeland Security

Letter to Ms. Charbet Duckett
Re: Guam's Management of State Homeland Security Program Grants Awarded During Fiscal Years 2009-2011
August 29, 2013
Page 2 of 2

Response and Proposed Action – Recommendation #6:

The GHS/OCD will submit a request for Technical Assistance (TA) by the end of calendar year 2013.

Response and Proposed Action – Recommendation #7:

Strict monitoring from management will be enforced for employees to comply and submit reports in a timely manner. The GHS/OCD will submit a request for Technical Assistance (TA) by the end of calendar year 2013.

3. **Subgrant Management:**

Yes, we concur with the findings and recommendations.

Response and Proposed Action – Recommendation #8:

Prior to submission of grants, agreements with subgrantees will be established through Memorandums of Agreement (MOA). For future grant submissions, MOAs will be discussed three (3) months prior and established at least 30 days prior to submission.

Response and Proposed Action – Recommendation #9:

The GHS/OCD will ensure that all required signatures are obtained efficiently and in a timely manner.

Response and Proposed Action – Recommendation #10:

The GHS/OCD will coordinate a quarterly meeting with all program managers to ensure timely spending and performance. Will also conduct site visits of subgrantees' performance effective 1 October 2013.

Within the last two and half years, the Guam Homeland Security / Office of Civil Defense has undergone management disruption of its grants. There has been four (4) Homeland Security Advisors (HSA) and three (3) Grants Managers. Since taking over three (3) months ago, we have gone from three (3) to seven (7) full-time classified staff. With more classified staff in our organization, we are confident that the organization's goals and objectives will be accomplished overtime.

Should you require additional information relating to this matter, you may contact me at (671) 475-9600 or email at ambrosio.constantino@ghs.guam.gov.

Sincerely,

AMBROSIO D. CONSTANTINO, JR.
Homeland Security Advisor



Appendix C

Description of the Homeland Security Grant Program

The HSGP provides Federal funding to help State and local agencies enhance capabilities to prevent, deter, respond to, and recover from terrorist attacks, major disasters, and other emergencies. The HSGP encompasses several interrelated Federal grant programs that together fund a range of preparedness activities, including planning, organization, equipment purchase, training, and exercises, as well as management and administration costs. Programs include the following:

- **The State Homeland Security Program** provides financial assistance directly to each of the States and Territories to prevent, respond to, and recover from acts of terrorism and other catastrophic events. The program supports the implementation of the State Homeland Security Strategy to address identified planning, equipment, training, and exercise needs.
- **The Urban Areas Security Initiative** provides financial assistance to address the unique planning, equipment, training, and exercise needs of high-risk urban areas, and to assist in building an enhanced and sustainable capacity to prevent, respond to, and recover from threats or acts of terrorism and other disasters. Allowable costs for the urban areas are consistent with the SHSP. Funding is expended based on the Urban Area Homeland Security Strategies.

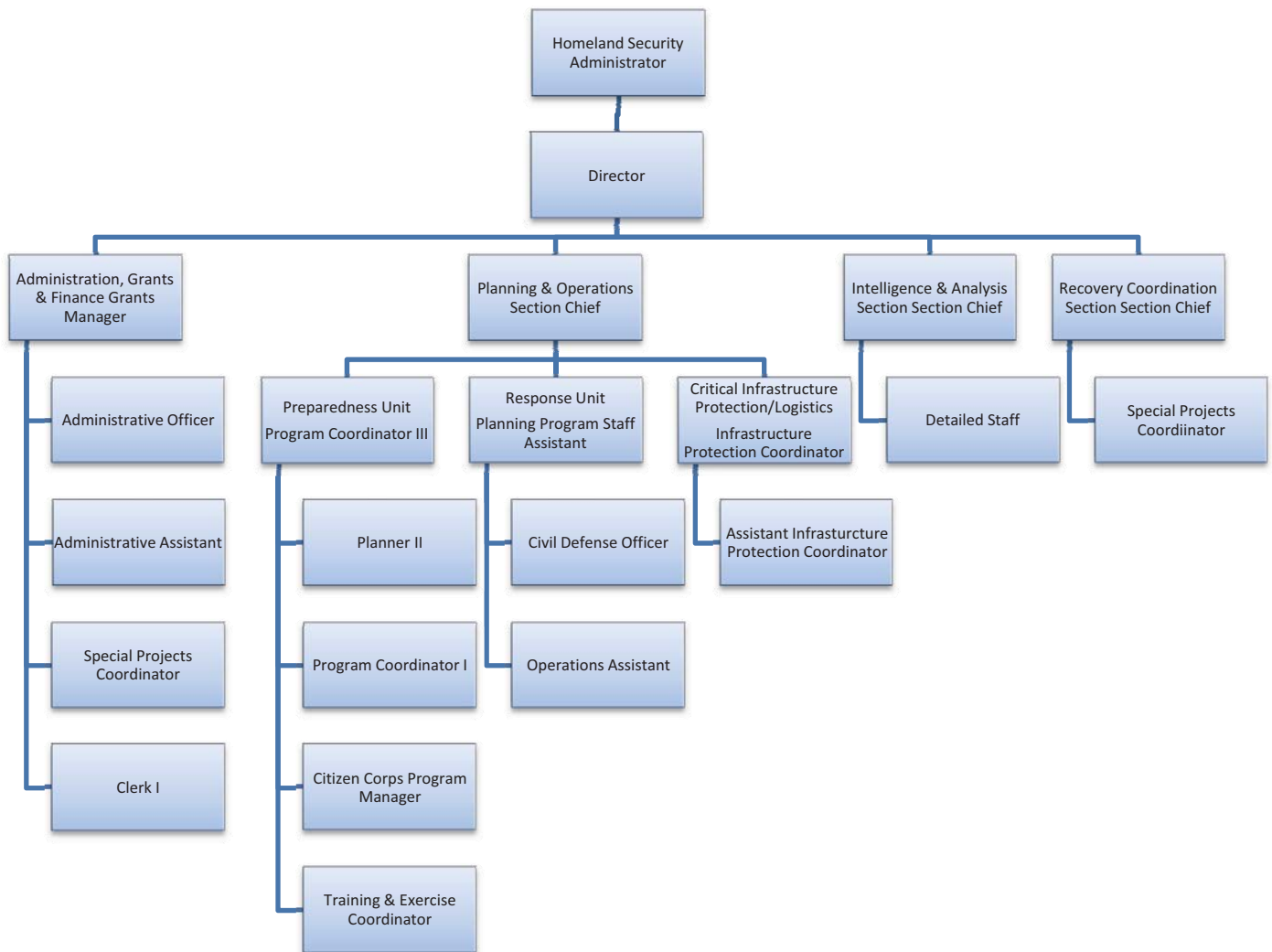
The HSGP also includes other interrelated grant programs with similar purposes. Depending on the fiscal year, these programs include the following:

- Metropolitan Medical Response System
- Citizen Corps Program
- Operation Stonegarden (beginning FY 2010)



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Appendix D
Guam Homeland Security Office of Civil Defense Organization
Chart





Appendix E

Threat and Hazard Identification and Risk Assessment

The National Preparedness System establishes the process to define and achieve specific capability targets and meet the National Preparedness Goal. One of the six components of the National Preparedness System includes identifying and assessing risk. THIRA provides a comprehensive approach for identifying and assessing risks and associated impacts, using the core capabilities identified in the National Preparedness Goal and employing the following five-step process:

1. Identify threats and hazards;
2. Give threats and hazards context (assess vulnerability, how they affect the community);
3. Examine core capabilities using the threats and hazards (estimate consequences, impacts to the community);
4. Set capability targets; and
5. Apply the results (use results for planning and preparedness activities, identify means to deliver target level of capability).

THIRA submission is required of all 56 States and Territories receiving HSGP and Emergency Management Performance Grant funds and 31 eligible UASIs. The first THIRA submission was due December 31, 2012. Subsequent submissions will be an annual performance requirement for FEMA preparedness grant awards.

In addition to the THIRA, States and Territories receiving FEMA preparedness grants are required to annually submit a State Preparedness Report. FEMA officials state that THIRA results and the State Preparedness Report will provide a quantitative summary of preparedness, document current capabilities and potential shortfalls, and set priorities for addressing shortfalls. FEMA officials also state that the State Preparedness Report results will be used by the States to identify funding requirements and set priorities for subgrantee project applications. The grant application (investment justification) must demonstrate how proposed projects address gaps and deficiencies in delivering one or more core capabilities outlined in the National Preparedness Goal, and as FEMA officials state, address capability gaps reported in the State Preparedness Report.

FEMA officials said that the FY 2013 Homeland Security Grant Program funding announcement will require applicants to map proposed investments to specific core capabilities and capability gaps identified in the State Preparedness Reports, linking investments to actions that build and sustain capabilities aligned with the National Preparedness Goal. We have not had the opportunity to audit this process or the outcomes for this State.



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Appendix F
Report Distribution

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