EXHIBIT 2
DATE 03/13/13
HB 2

OFFICE OF INSPECTOR GENERAL
Department of Homeland Security

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

MAR 1 2013

MEMORANDUM FOR: David J. Kaufman
Acting Assistant Administrator
Grant Programs Directorate
Federal Emergency Management Agency

FROM: Anne L. Richards
Assistant Inspector General for Audits

SUBJECT: Response to FEMA's Corrective Action Plan Update for *The State of Montana's Management of State Homeland Security Program Grants Awarded During Fiscal Years 2007 through 2009* (OIG-12-16)

We are replying to your February 19, 2013 corrective action plan update regarding recommendations in our December 2011 report, *The State of Montana's Management of State Homeland Security Program Grants Awarded During Fiscal Years 2007 through 2009* (OIG-12-16). The report contained 13 recommendations; recommendations 3 through 6 and 8 through 13 were previously closed. Based on the information submitted, we have changed the status of recommendations 1, 2, and 7 from resolved and open to resolved and closed. All recommendations are now closed. Attached is our analysis of the corrective action plan update.

Thank you for your efforts to keep us informed of the status of these recommendations.

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

cc: Gary McKeon, FEMA, Audit Liaison Office
Mildred Lloyd, FEMA, Audit Liaison Office, Grant Programs Directorate
Jim Crumpacker, Director, GAO/OIG Liaison Office
Cara Whitehead, Acting Director, Financial Assistance Policy and Oversight

Audit Report Recommendations, Response, and Status: The State of Montana's Management of State Homeland Security Program Grants Awarded During Fiscal Years 2007 through 2009 (OIG-12-16)

Inspector General Recommendation	*FEMA Response/OIG Comments*	*Previous Status*	*Current Status*
1. We recommend that the Assistant Administrator, Grant Programs Directorate, require the Administrator, Montana Disaster and Emergency Services to develop strategic goals and objectives applicable to capabilities that are specific, measurable, achievable, results-oriented, and time limited.	**FEMA Corrective Action Plan Update 02/19/13:** As of December 31, 2013, the State of Montana has successfully submitted their THIRA and a comprehensive State Strategic Plan. The THIRA has assisted the state in identifying areas in which they need to focus their objectives for building their readiness and homeland security capabilities. Through their new application requirements they have required their subgrantees to identify the strategic goals and objectives which are specific, measureable, achievable, results-oriented, and time limited. Efforts undertaken by their contractor will serve to enhance and refine those goals and objectives. FEMA is satisfied that the intent of this recommendation has been met and that the corrective actions have been fully implemented. FEMA recommends that this finding be resolved and closed. **OIG Comments:** The actions taken by FEMA and the State satisfy the intent of the recommendation. The recommendation is considered resolved and closed.	Resolved and Open	Resolved and Closed
2. We recommend that the Assistant Administrator, Grant Programs Directorate, require the Administrator, Montana Disaster and Emergency Services to develop performance measures and collect and analyze performance data from subgrantees to measure progress towards achieving goals and objectives.	**FEMA Corrective Action Plan Update 02/19/13:** The State of Montana has completed and submitted both a comprehensive State Strategic Plan as well as a THIRA. The State reviews progress of strategic goals as they are gathering the data and information for their annual THIRA, as well as through the Senior Advisory Committee which meets regularly to review project activities and plan for upcoming funding opportunities. The SAA and the SAC review the report submissions from the sub-grantees to determine if they are progressing towards not only the project goals but also towards strategic goals and objectives set by the state during the application phase. FEMA believes that the State of Montana has satisfied the intent of this recommendation. FEMA recommends that this finding be resolved and closed. **OIG Comments:** The actions taken by FEMA and the State satisfy the intent of the recommendation. The recommendation is considered resolved and closed.	Resolved and Open	Resolved and Closed

Audit Report Recommendations, Response, and Status: The State of Montana's Management of State Homeland Security Program Grants Awarded During Fiscal Years 2007 through 2009 (OIG-12-16)

Inspector General Recommendation	*FEMA Response/OIG Comments*	*Previous Status*	*Current Status*
7. We recommend that the Assistant Administrator, Grant Programs Directorate, require the Administrator, Montana Disaster and Emergency Services to clarify ownership of equipment furnished with federal funds, particularly with arrangements between Interoperability Montana and its partner subgrantee jurisdictions.	**FEMA Corrective Action Plan Update 02/19/13:** Montana has obtained assets listings from the accounting firm for Interoperable Montana. Montana has also obtained copies of inventory verifications from the Systems Administrator that is preformed every time he goes to a site for maintenance. They have completed the inventory and can account for and locate all Interoperable Montana Communications Assets. All communications equipment is has listed locations and ownership on the attached inventory spreadsheet, Exhibit A. Further Montana's master zone controller, located in Helena at the Lewis and Clark County Sheriff's office, has completely accounted for all communication assets. These assets are programmed into an "e-help" ticketing system that communicates whenever there is an issue with any portion of a communications site. This allows communication technicians to know what materials are needed in order to repair and restore the tower site. The system also has a built in asset management system, designed by the Montana Homeland Security Grant Manager, that produces a monthly report with reported changes in assets and locations. This will allow the Montana SAA, as well as other agencies to account for assets that have been decommissioned and new assets that have been put in their place. This is in compliance with Montana state law and Code of Federal Regulations Part 2. FEMA is satisfied that the intent of this recommendation has been met and that the corrective actions have been fully implemented. FEMA recommends that this finding be resolved and closed. **OIG Comments:** The actions taken by FEMA and the State satisfy the intent of the recommendation. The recommendation is considered resolved and closed.	Resolved and Open	Resolved and Closed