



Report In Brief

FEBRUARY 22, 2013

Background

The Public Safety Interoperable Communications (PSIC) program is a nearly \$1 billion formula-based matching grant program. PSIC enables public safety agencies to establish interoperable emergency communication systems using reallocated radio spectrum.

NTIA, in consultation with the Department of Homeland Security, executes PSIC. NTIA awarded PSIC grants to all 50 states, 5 territories, and the District of Columbia in amounts ranging from \$692,000 to \$94.0 million.

Why We Did This Review

The Implementing Recommendations of the 9/11 Commission Act of 2007 require the Office of Inspector General to annually assess NTIA's management of PSIC and to transmit findings to the House Committee on Energy and Commerce and the Senate Committee on Commerce, Science, and Transportation. Also, Congress specified that 25 financial audits be conducted on the PSIC program. We previously reported the results of 9 PSIC financial audits. This report consolidates the results of the remaining 16 financial audits.

Our audit objectives were to determine whether (1) costs incurred by recipients of PSIC funds from the Department were allowable and in accordance with grant requirements; (2) recipients met matching share requirements; (3) equipment acquired by recipients had been tested and certified before deployment, operated effectively, and improved interoperability in the state; and (4) recipients were on schedule to complete communication investments by September 30, 2011, or with an approved extension, September 30, 2012.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

Fourth Annual Assessment of the PSIC Grant Program

OIG-13-016-A

WHAT WE FOUND

NTIA Program Management. Overall, NTIA is providing effective oversight of PSIC grants. However, we identified instances where additional communication by NTIA to recipients, we could have clarified the unique requirements of this grant, resulting in greater recipient compliance. In addition, although NTIA faced many significant challenges in administering this grant, a higher level of monitoring by NTIA could have prevented many of the recipient noncompliances we found. In particular, the number of late report submissions and necessary approvals and authorizations could have been reduced with improved continuous trend analysis monitoring.

PSIC Recipient Audit Results. We identified two common areas of concern: (1) unallowable costs and (2) internal control weaknesses in the areas of (a) noncompliance with reporting requirements, (b) compliance with grant requirements, (c) subrecipient monitoring, and (d) cost-match monitoring.

WHAT WE RECOMMEND

We recommend that the Assistant Secretary for Communications and Information:

1. Pursue the recovery of questioned unallowable costs for each grant recipient and determine the most appropriate process to recover questioned costs in the future.
2. Require recipients to submit all necessary reports in conformance with grant terms and conditions.
3. Institute a routine follow-up process with recipients, to ensure that grant requirements are understood and met.
4. Strengthen existing requirements for grant recipients to perform subrecipient monitoring.
5. Calculate the impact of the unrealized cost match on the PSIC program and alert those recipients who have not met this match of their responsibilities under their grants.
6. Document the follow-up conducted with PSIC grant recipients on recommendations included in appendices to this report.

Our recommendations for internal control weaknesses, as well as other state recommendations, are included in the state appendices to this report.