

Financial Management Risk Reduction Act

[Public Law 118–207]

[This law has not been amended]

[Currency: This publication is a compilation of the text of Public Law 118–207. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at <https://www.govinfo.gov/app/collection/comps/>.]

[Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).]

AN ACT To amend section 7504 of title 31, United States Code, to improve the single audit requirements.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. [31 U.S.C. 7501 note] SHORT TITLE.

This Act may be cited as the “Financial Management Risk Reduction Act”.

SEC. 2. SINGLE AUDIT IMPROVEMENTS.

Section 7504 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “, and” and inserting a semicolon;

(B) in paragraph (2), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

“(3) participate in and furnish information for the review under subsection (e); and

“(4) identify recipients that expend \$300,000 or more in Federal awards or such other amount specified by the Director under section 7502(a)(3) during the recipient’s fiscal year but did not undergo an audit in accordance with this chapter.”;

(2) in subsection (c)—

(A) in paragraph (1), by adding “and” at the end;

(B) by striking paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2);

and

(3) by adding at the end the following:

“(d) Not later than 2 years after the date of enactment of this subsection, and every 2 years thereafter, the Director shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Accountability

of the House of Representatives a report listing the recipients identified under subsection (a)(4).

“(e)(1) The Director shall designate 1 or more Federal agencies to conduct a Government-wide analysis of single audit quality, which may include a consideration of the results of reviews of single audit quality by—

- “(A) Federal agencies;
- “(B) inspectors general of Federal agencies;
- “(C) State auditors; and
- “(D) external peer reviews conducted in accordance with generally accepted government auditing standards.

(2) Not later than 3 years after the date of enactment of this subsection, and every 6 years thereafter, the Federal agencies designated under paragraph (1) shall complete a Government-wide analysis of single audit quality.

(3) The Director shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Accountability of the House of Representatives and make publicly available a summary of the results of each review under paragraph (2).

“(f) Not later than 2 years after the date of enactment of this subsection—

(1) the Administrator of General Services, in coordination with the Director, the Council on Federal Financial Assistance (or any successor thereto), and key management single audit liaisons of Federal agencies designated as described in section 200.513 of title 2, Code of Federal Regulations (or any successor thereto), shall develop analytic tools to use audit data in the Federal clearinghouse to identify cross-Governmental risks to Federal award funds; and

“(2) the Director, in coordination with the Administrator of General Services, the Council on Federal Financial Assistance (or any successor thereto), and key management single audit liaisons of Federal agencies designated as described in section 200.513 of title 2, Code of Federal Regulations (or any successor thereto), shall develop a strategy to use audit data in the Federal clearinghouse to identify cross-Governmental risks to Federal award funds.

(g) Not later than 4 years after the date of enactment of this subsection, the Comptroller General of the United States shall complete an evaluation of—

(1) the effectiveness of the strategy and analytic tools developed under subsection (f);

“(2) reporting burdens for auditors and audited entities and the capacity of auditors and audited entities to fulfill the requirements under this chapter; and

“(3) the responsiveness of Federal agencies to repeat single audit findings and corrective action plans.”.

SEC. 3. NO ADDITIONAL FUNDS

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No additional funds are authorized to be appropriated to carry out this Act or the amendments made by this Act.