

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: In the nature of a substitute.

**IN THE SENATE OF THE UNITED STATES—118th Cong., 2d Sess.**

**S. 4716**

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

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended  
to be proposed by Mr. PETERS (for himself and Mr.  
JOHNSON)

Viz:

1 Strike all after the enacting clause and insert the fol-

2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Financial Management

5 Risk Reduction Act”.

6 **SEC. 2. SINGLE AUDIT IMPROVEMENTS.**

7 Section 7504 of title 31, United States Code, is

8 amended—

9 (1) in subsection (a)—

10 (A) in paragraph (1), by striking “, and”

11 and inserting a semicolon;

1 (B) in paragraph (2), by striking the pe-  
2 riod at the end and inserting a semicolon; and

3 (C) by adding at the end the following:

4 “(3) participate in and furnish information for  
5 the review under subsection (d); and

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

11 (2) in subsection (c)—

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

14 (B) by striking paragraph (2); and

15 (C) by redesignating paragraph (3) as  
16 paragraph (2); and

17 (3) by adding at the end the following:

18 “(d) Not later than 2 years after the date of enact-  
19 ment of this subsection, and every 2 years thereafter, the  
20 Director submit to the Committee on Homeland Security  
21 and Governmental Affairs of the Senate and the Com-  
22 mittee on Oversight and Accountability of the House of  
23 Representatives a report listing the recipients identified  
24 under subsection (a) (4).

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

5                   “(A) Federal agencies;

6                   “(B) inspectors general of Federal agencies;

7                   “(C) State auditors; and

8                   “(D) external peer reviews conducted in accord-  
9 ance with generally accepted government auditing  
10 standards.

11           “(2) Not later than 3 years after the date of enact-  
12 ment of this subsection, and every 6 years thereafter, the  
13 Federal agencies designated under paragraph (1) shall  
14 complete a Government-wide analysis of single audit qual-  
15 ity.

16           “(3) The Director shall submit to the Committee on  
17 Homeland Security and Governmental Affairs of the Sen-  
18 ate and the Committee on Oversight and Accountability  
19 of the House of Representatives and make publicly avail-  
20 able a summary of the results of each review under para-  
21 graph (2).

22           “(f) Not later than 2 years after the date of enact-  
23 ment of this subsection—

24                   “(1) the Administrator of General Services, in  
25 coordination with the Director, the Council on Fed-

1       eral Financial Assistance (or any successor thereto),  
2       and key management single audit liaisons of Federal  
3       agencies designated as described in section 200.513  
4       of title 2, Code of Federal Regulations (or any suc-  
5       cessor thereto), shall develop analytic tools to use  
6       audit data in the Federal clearinghouse to identify  
7       cross-Governmental risks to Federal award funds;  
8       and

9               “(2) the Director, in coordination with the Ad-  
10       ministrator of General Services, the Council on Fed-  
11       eral Financial Assistance (or any successor thereto),  
12       and key management single audit liaisons of Federal  
13       agencies designated as described in section 200.513  
14       of title 2, Code of Federal Regulations (or any suc-  
15       cessor thereto), shall develop a strategy to use audit  
16       data in the Federal clearinghouse to identify cross-  
17       Governmental risks to Federal award funds.

18       “(g) Not later than 4 years after the date of enact-  
19       ment of this subsection, the Comptroller General of the  
20       United States shall complete an evaluation of—

21               “(1) the effectiveness of the strategy and ana-  
22       lytic tools developed under subsection (f);

23               “(2) reporting burdens for auditors and audited  
24       entities and the capacity of auditors and audited en-

1 titles to fulfill the requirements under this chapter;

2 and

3 “(3) the responsiveness of Federal agencies to

4 repeat single audit findings and corrective action

5 plans.”.

6 **SEC. 3. NO ADDITIONAL FUNDS.**

7 No additional funds are authorized to be appro-

8 priated to carry out this Act or the amendments made

9 by this Act.