

118TH CONGRESS
2D SESSION

S. 4716

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

IN THE SENATE OF THE UNITED STATES

JULY 11 (legislative day, JULY 10), 2024

Mr. PETERS (for himself and Mr. JOHNSON) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

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)—

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

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

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

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

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

14 (2) in subsection (c)—

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

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

18 (C) by redesignating paragraph (3) as
19 paragraph (2); and

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

21 “(d) Not later than 2 years after the date of enact-
22 ment of this subsection, and every 2 years thereafter, the
23 Director submit to the Committee on Homeland Security
24 and Governmental Affairs of the Senate and the Com-
25 mittee on Oversight and Accountability of the House of

1 Representatives a report listing the recipients identified
2 under subsection (a) (4).

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

7 “(A) Federal agencies;

8 “(B) State auditors; and

9 “(C) independent peer review programs.

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

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 the results of each review under paragraph (2).

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

23 “(1) the Administrator of General Services, in
24 coordination with the Director, the Council on Fed-
25 eral Financial Assistance (or any successor thereto),

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

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

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

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

22 “(2) reporting burdens for auditors and audited
23 entities and the capacity of auditors and audited en-
24 tities to fulfill the requirements under this chapter;
25 and

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

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