

Subsec. (e). Pub. L. 105-220, §306(5), redesignated subsec. (e) as (d).

1982—Pub. L. 97-300, §601(d)(1), substituted “Secretary of Labor” for “Director” wherever appearing.

Subsec. (a). Pub. L. 97-300, §601(d)(2), designated provisions relating to the submission of a plan to the Secretary by any State desiring to receive benefits under certain sections of this chapter as subsec. (a).

Subsecs. (b), (c). Pub. L. 97-300, §601(d)(5), added subsecs. (b) and (c).

Subsec. (d). Pub. L. 97-300, §601(d)(3), designated provisions relating to the inclusion in State plans of provision for handicapped persons employment opportunities and coordination with State agencies similarly concerned as subsec. (d).

Subsec. (e). Pub. L. 97-300, §601(d)(4), designated provisions relating to approval and notice by the Secretary of the State plans as subsec. (e).

1954—Act Aug. 3, 1954, inserted provisions relating to promotion and development of employment opportunities and for job counseling and placement of handicapped persons.

#### EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-220 effective July 1, 1999, see section 311 of Pub. L. 105-220, set out as a note under section 49a of this title.

#### EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-300 effective Oct. 1, 1983, but with Secretary authorized to use funds appropriated for fiscal 1983 to plan for orderly implementation of amendment, see section 181(i) of Pub. L. 97-300, which was formerly classified to section 1591(i) of this title.

#### EFFECTIVE DATE OF 1954 AMENDMENT

Amendment by act Aug. 3, 1954, effective July 1, 1954, see section 8 of act Aug. 3, 1954, set out as a note under section 49b of this title.

#### TRANSFER OF FUNCTIONS

For history of transfer of functions of United States Employment Service to Secretary of Labor, see note set out under section 49 of this title.

### § 49h. Fiscal controls and accounting procedures

#### (a) Audit

(1) Each State shall establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of, and accounting for, Federal funds paid to the recipient under this chapter. The Director of the Office of Management and Budget, in consultation with the Comptroller General of the United States, shall establish guidance for the proper performance of audits. Such guidance shall include a review of fiscal controls and fund accounting procedures established by States under this section.

(2) At least once every two years, the State shall prepare or have prepared an independent financial and compliance audit of funds received under this chapter.

(3) Each audit shall be conducted in accordance with applicable auditing standards set forth in the financial and compliance element of the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the Comptroller General of the United States.

#### (b) Evaluations by Comptroller General

(1) The Comptroller General of the United States shall evaluate the expenditures by States

of funds received under this chapter in order to assure that expenditures are consistent with the provisions of this chapter and to determine the effectiveness of the State in accomplishing the purposes of this chapter. The Comptroller General shall conduct evaluations whenever determined necessary and shall periodically report to the Congress on the findings of such evaluations.

(2) Nothing in this chapter shall be deemed to relieve the Inspector General of the Department of Labor of his responsibilities under the Inspector General Act.

(3) For the purpose of evaluating and reviewing programs established or provided for by this chapter, the Comptroller General shall have access to and the right to copy any books, accounts, records, correspondence, or other documents pertinent to such programs that are in the possession, custody, or control of the State.

#### (c) Repayment of funds by State

Each State shall repay to the United States amounts found not to have been expended in accordance with this chapter. No such finding shall be made except after notice and opportunity for a fair hearing. The Secretary may offset such amounts against any other amount to which the recipient is or may be entitled under this chapter.

(June 6, 1933, ch. 49, §9, 48 Stat. 116; Pub. L. 97-300, title VI, §601(e), formerly title V, §501(e), Oct. 18, 1982, 96 Stat. 1396; renumbered title VI, §601(e), Pub. L. 100-628, title VII, §712(a)(1), (2), Nov. 7, 1988, 102 Stat. 3248.)

#### REFERENCES IN TEXT

The Inspector General Act, referred to in subsec. (b)(2), probably means the Inspector General Act of 1978, Pub. L. 95-452, Oct. 12, 1978, 92 Stat. 1101, as amended, which is set out in the Appendix to Title 5, Government Organization and Employees.

#### AMENDMENTS

1982—Pub. L. 97-300 amended section generally, substituting provisions requiring the States to prepare accounting procedures under Federal guidance, to submit to biennial audit with evaluation of expenditures by the Comptroller General and providing for repayment of improperly expended funds, for provisions requiring reports on expenditures to the Secretary under his regulations and giving him authority to revoke State certification.

#### EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-300 effective Oct. 1, 1983, but with Secretary authorized to use funds appropriated for fiscal 1983 to plan for orderly implementation of amendment, see section 181(i) of Pub. L. 97-300, which was formerly classified to section 1591(i) of this title.

#### TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions of law requiring submittal to Congress of any annual, semiannual, or other regular periodic report listed in House Document No. 103-7 (in which a report required under subsec. (b)(1) of this section is listed on page 8), see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance.

### § 49i. Recordkeeping and accountability

#### (a) Records

Each State shall keep records that are sufficient to permit the preparation of reports re-