

Correcting Long-Standing Material Weaknesses


“(a) Definitions.—In this section:

“(A) Covered element of the intelligence community.—The term ‘covered element of the intelligence community’ means—

“(A) the Central Intelligence Agency;

“(B) the Defense Intelligence Agency;

“(C) the National Geospatial-Intelligence Agency;

“(D) the National Reconnaissance Office; or

“(E) the National Security Agency.

“(2) Independent auditor.—The term ‘independent auditor’ means an individual who—

“(A)(i) is a Federal, State, or local government auditor who meets the independence standards included in generally accepted government auditing standards; or

“(ii) is a public accountant who meets such independence standards; and

“(B) is designated as an auditor by the Director of National Intelligence or the head of a covered element of the intelligence community, as appropriate.

“(3) Independent review.—The term ‘independent review’ means an audit, attestation, or examination conducted by an independent auditor in accordance with generally accepted government auditing standards.

“(4) Long-standing, correctable material weakness.—The term ‘long-standing, correctable material weakness’ means a material weakness—

“(A) that was first reported in the annual financial report of a covered element of the intelligence community for a fiscal year prior to fiscal year 2007; and

“(B) the correction of which is not substantially dependent on a business system that was not implemented prior to the end of fiscal year 2010.

“(5) Material weakness.—The term ‘material weakness’ has the meaning given that term under the Office of Management and Budget Circular A–123, entitled ‘Management’s Responsibility for Internal Control,’ revised December 21, 2004.

“(6) Senior intelligence management official.—The term ‘senior intelligence management official’ means an official within a covered element of the intelligence community who is—

“(A)(i) compensated under the Senior Intelligence Service pay scale; or

“(ii) the head of a covered element of the intelligence community; and

“(B) compensated for employment with funds appropriated pursuant to an authorization of appropriations in this Act [Pub. L. 111–259, see Tables for classification].

“(b) Identification of Senior Intelligence Management Officials.—

“(1) Requirement to identify.—Not later than 30 days after the date of the enactment of this Act [Oct. 7, 2010], the head of a covered element of the intelligence community shall designate a senior intelligence management official of such element to be responsible for correcting each long-standing, correctable material weakness of such element.
“(2) Head of a covered element of the intelligence community.—The head of a covered element of the intelligence community may designate himself or herself as the senior intelligence management official responsible for correcting a long-standing, correctable material weakness under paragraph (1).

“(3) Requirement to update designation.—If the head of a covered element of the intelligence community determines that a senior intelligence management official designated under paragraph (1) is no longer responsible for correcting a long-standing, correctable material weakness, the head of such element shall designate the successor to such official not later than 10 days after the date of such determination.

“(c) Notification.—Not later than 10 days after the date on which the head of a covered element of the intelligence community has designated a senior intelligence management official pursuant to paragraph (1) or (3) of subsection (b), the head of such element shall provide written notification of such designation to the Director of National Intelligence and to such senior intelligence management official.

“(d) Correction of Long-Standing, Material Weakness.—

“(1) Determination of correction of deficiency.—If a long-standing, correctable material weakness is corrected, the senior intelligence management official who is responsible for correcting such long-standing, correctable material weakness shall make and issue a determination of the correction.

“(2) Basis for determination.—The determination of the senior intelligence management official under paragraph (1) shall be based on the findings of an independent review.

“(3) Notification and submission of findings.—A senior intelligence management official who makes a determination under paragraph (1) shall—

“(A) notify the head of the appropriate covered element of the intelligence community of such determination at the time the determination is made; and

“(B) ensure that the independent auditor whose findings are the basis of a determination under paragraph (1) submits to the head of the covered element of the intelligence community and the Director of National Intelligence the findings that such determination is based on not later than 5 days after the date on which such determination is made.

“(e) Congressional Oversight.—The head of a covered element of the intelligence community shall notify the congressional intelligence committees not later than 30 days after the date—

“(1) on which a senior intelligence management official is designated under paragraph (1) or (3) of subsection (b) and notified under subsection (c); or

“(2) of the correction of a long-standing, correctable material weakness, as verified by an independent auditor under subsection (d)(2)."

[For definition of “congressional intelligence committees” as used in section 368 of Pub. L. 111–259, set out above, see section 2 of Pub. L. 111–259, set out as a Definitions note under section 401a of this title.]