

# Integrated Strategy for High-Risk Management

Strengthening Department of Homeland Security Management Functions

A Biannual Update to the Government Accountability Office

*March 2022*



**Homeland  
Security**



Homeland  
Security

April 7, 2022

The Honorable Gene L. Dodaro  
Comptroller General of the United States  
U.S. Government Accountability Office  
441 G Street, NW Washington, DC 20548

Dear Comptroller General Dodaro:

On behalf of the Department of Homeland Security (DHS or the Department), I am pleased to submit the enclosed update to the DHS *Integrated Strategy for High-Risk Management (Integrated Strategy)*. The *Integrated Strategy*, published every six months since 2011, outlines the Department's framework for addressing the *Strengthening Department of Homeland Security Management Functions (Strengthening DHS Management Functions)* issue area on the Government Accountability Office (GAO) High-Risk List (the List).

Year after year, the Department's top leaders have demonstrated sustained commitment and support for addressing this issue area, all in close partnership with GAO. Today, the challenges DHS faces in this area are minor in comparison to the conditions that led to GAO's original high-risk designation. Senior DHS leadership's focus has not, and will not, let up on this issue; nor will the Department's commitment to maintaining a constitutive partnership with GAO. Accordingly, DHS leaders have taken actions to institutionalize the commitment to addressing the *Strengthening DHS Management Functions* issue area to enable sustained success in the Department's endeavors. Most recently, for example, Secretary Mayorkas declared "GAO High-Risk" one of the top focus areas in a newly announced Secretary's Infrastructure Transformation initiative, which is being overseen by Deputy Secretary Tien. As part of this initiative, the Secretary directed leaders and program officials throughout the Department to redouble efforts to address open GAO High-Risk issues and related high-risk and priority<sup>1</sup> recommendations. The Secretary's vision is that the only DHS equities that remain on GAO's High-Risk List will be those that are inherently high-risk by their very nature.

Consistent with the Secretary's vision, the Department believes *Strengthening DHS Management Functions* should be removed from the List when GAO issues its 2023 High-Risk Series report. The Department's view is that DHS operational outcomes, underpinned by effective management functions, demonstrate that the state of DHS management is strong and, most importantly, that the remaining challenges do not constitute a high-risk when viewed

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<sup>1</sup> Letter from the Comptroller General of the United States to the Secretary of Homeland Security, titled: "Priority Open Recommendations: Department of Homeland Security," dated August 13, 2021, and a supplemental letter with additional priority open recommendations, dated August 23, 2021.

through the lens of the qualitative and quantitative factors GAO considers when designating a program high-risk.<sup>2</sup>

Without a doubt, the functions related to acquisition management, information technology management, financial management, human capital management, and management integration represented high-risks for the Department *during its earlier years*. Since inception, and especially throughout the past 10 years, DHS has made significant and sustained progress mitigating these risks. Admittedly, some challenging work remains. However, DHS does not believe the remaining risks in these functions rise to the level of “high-risk,” such that the functions are inherently vulnerable to fraud, waste, abuse, mismanagement, or need transformation beyond what one typically sees in government programs, operations, and activities. While DHS will always strive to minimize risk, the Department recognizes that eliminating all risk is an aspirational goal—some degree of risk will always exist. DHS believes the salient question is “*how much risk is high-risk*,” especially when considering the competing priorities and demands with increasingly constrained resources available to fulfill the Department’s broad and complex mission in as effective a manner as possible, while upholding public trust and stewardship.

The Department’s position—that *Strengthening DHS Management Functions* should be removed from the List—is supported by the demonstrated<sup>3</sup> successes and accomplishments achieved by air, by land, by sea, or in cyberspace, by the more than 220,000 DHS employees working every single day to safeguard the American people, our homeland, and our values. Strong, effective DHS Management Directorate (MGMT) enabling functions and services, including those of the Chief Financial Officer, Chief Procurement Officer, Chief Information Officer, Chief Human Capital Officer, Executive Director for Program Accountability and Risk Management, and many others, underpin all DHS efforts to successfully execute its mission. Key to MGMT’s success is the demonstrated capacity, ability, and readiness to integrate across its crucial functional disciplines and coalesce around tangible mission outcomes.

We ask that GAO carefully consider removing *Strengthening DHS Management Functions* from the List as it is no longer inherently high-risk by its very nature. We also express our appreciation for the constructive relationship we have cultivated with GAO through nearly two decades of coordination on this important work. The Department continues to value and welcome GAO’s role in assessing DHS programs, operations, and activities, which helps ensure they are functioning effectively and efficiently as intended.

Sincerely,

RANDOLPH  
D ALLES

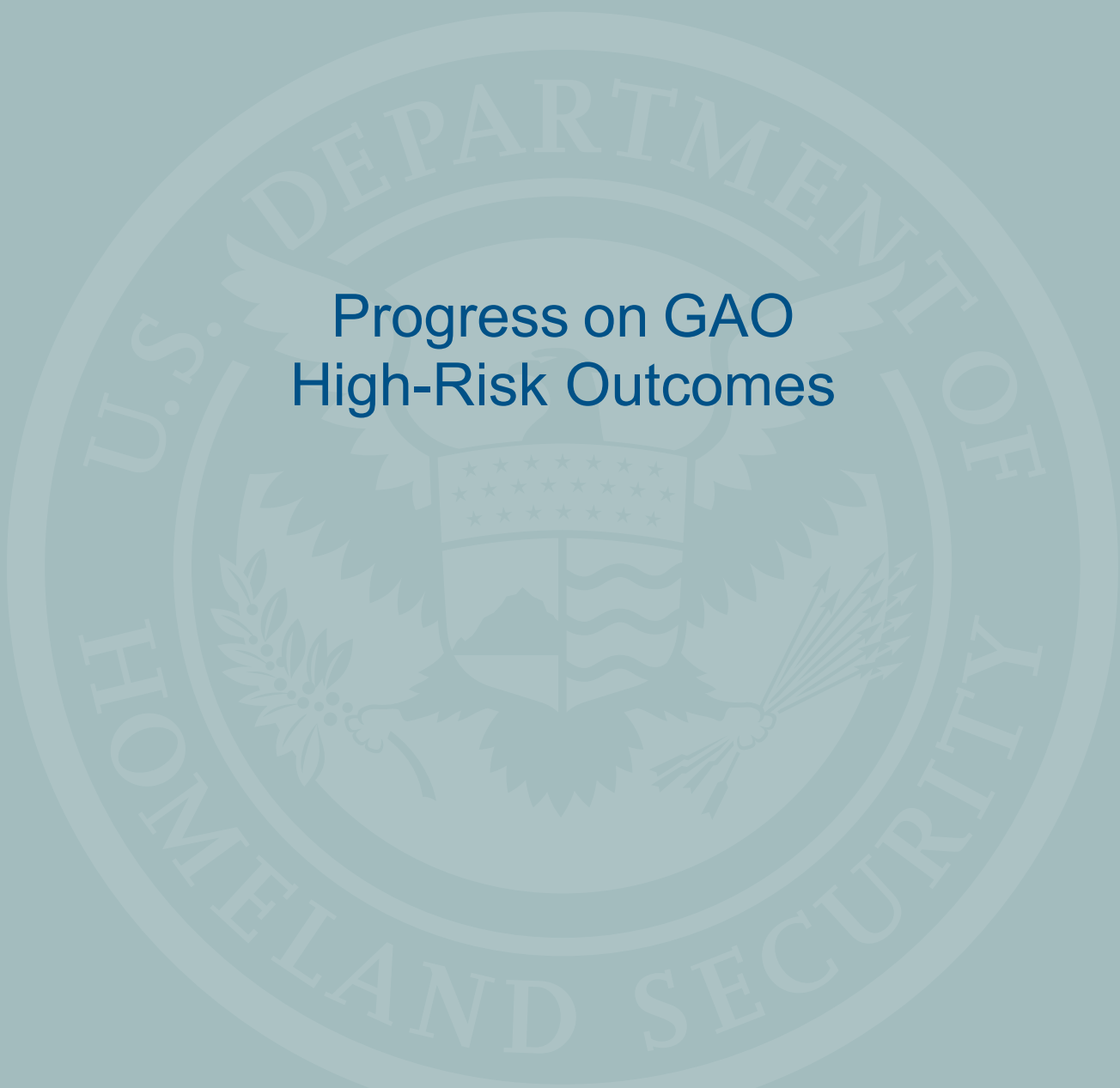
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R.D. Alles  
Acting Under Secretary for Management

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<sup>2</sup> Reference GAO-21-119SP, “HIGH-RISK SERIES: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas,” dated March 2, 2021, page 4 (PDF page 10).

<sup>3</sup> See examples at “2021: A Strong Year of Progress at the Department of Homeland Security,” dated February 4, 2022 ([2021: A Strong Year of Progress at the Department of Homeland Security | Homeland Security \(dhs.gov\)](https://www.dhs.gov/2021-a-strong-year-of-progress-at-the-department-of-homeland-security))



# Progress on GAO High-Risk Outcomes



# Progress on GAO High-Risk Outcomes



## Progress on GAO High-Risk Outcomes

This document provides corrective action plans for achieving the 12 outcomes that have not yet achieved a Fully Addressed rating by GAO. In 2010, GAO identified the outcomes and DHS agreed that achieving these goals is critical to addressing challenges within the Department's management areas and improving integration of management functions across DHS. The outcomes cover the functional areas of financial management, human capital, information technology, acquisition, and management integration. GAO rates the Department's progress on the outcomes using the following scale:

- **Fully Addressed:** Outcome is fully addressed.
- **Mostly Addressed:** Progress is significant and a small amount of work remains.
- **Partially Addressed:** Progress is measurable, but significant work remains.
- **Initiated:** Activities have been initiated to address the outcome, but it is too early to report progress.<sup>1</sup>

Subsequent to each *Integrated Strategy* update, GAO meets with DHS officials to provide feedback on progress, identify areas where additional work remains, and review outcome ratings. In recent years, DHS has steadily improved its progress as measured by the number of outcomes receiving a Fully Addressed or Mostly Addressed rating. For example, as of March 2022, GAO rated DHS as Fully Addressed or Mostly Addressed for 73% (22 of 30) of the outcomes, up from 70% in 2018 and 47% in 2015. *Table 1* provides a functional-level summary of 2020 GAO outcome ratings.

*Table 1. Summary of GAO Outcome Ratings by Functional Area*

Functional Area	Total GAO Outcomes	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated
Financial Management	8	2	0	3	3
Human Capital Management	7	6	1	0	0
Information Technology Management	6	5	0	1	0
Acquisition Management	5	2	3	0	0
Management Integration	4	3	0	1	0
<b>Total as of March 2022</b>	<b>30</b>	<b>18</b>	<b>4</b>	<b>5</b>	<b>3</b>

The Department first issued the *Integrated Strategy* in 2011 and has maintained a practice of updating GAO twice yearly.<sup>2</sup> In general, the *Integrated Strategy* report provides updated action plans for the outcomes that have not yet achieved a Fully Addressed rating from GAO.

<sup>1</sup> GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, GAO-21-119SP (Washington, D.C.: March 3, 2021), page 180.

<sup>2</sup> Congress codified this practice by requiring DHS to report to GAO every six months. *National Defense Authorization Act for Fiscal Year 2017*, Public Law 114-328 § 1903(b) ((codified at 6 U.S.C. § 341(a)(11)), page 674.



## Financial Management Outcome #2

**Outcome Lead:** Alyssa Smiley

**Outcome Executive:** Stacy Marcott

**GAO Outcome:** Obtain an unmodified opinion on internal control over financial reporting (ICOFR) to demonstrate effective internal controls.

**DHS Successes:** DHS has proven its capacity and capability for strong financial reporting and management, as noted by nine consecutive unmodified (“clean”) financial statement opinions and the reduction of material weaknesses from ten in 2006 down to the remaining two. Specifically, in FY2020 DHS was able to fully remediate a long-standing significant deficiency over Property, Plant, and Equipment. Furthermore, the Department remediated the portion of the Financial Reporting material weakness associated with actuarial retirement liabilities – these liabilities totaled \$67.3 billion at the end of FY 2020 – roughly half of total DHS liabilities. In FY 2021, DHS downgraded the Journal Voucher and Beginning Balance deficiency from being a contributor to the Financial Reporting material weakness. Given this demonstrated record of success, DHS does not believe that the current modified opinion on ICOFR poses a substantial, unmitigated risk to successful financial management at DHS.

### **GAO 2021 Outcome Rating**

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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#### **CURRENT STATUS**

To advance to Fully Addressed, DHS must obtain an unmodified opinion on ICOFR and demonstrate an effective system of internal controls. DHS continues to make significant progress by achieving its ninth unmodified audit opinion on the 2021 DHS financial statements and related footnotes. In addition, the sustainment of a “clean” financial statement opinion for nine years provides continued evidence that DHS has implemented the internal control over financial reporting sufficient to ensure that year-end financial reporting is not materially misstated. Given this demonstrated record of success, DHS does not believe that the current modified opinion on ICOFR poses a substantial, unmitigated risk to successful financial management at DHS.

In FY 2020, DHS fully remediated a long-standing significant deficiency over Property, Plant, and Equipment. Furthermore, the Department remediated the portion of the Financial Reporting material weakness associated with actuarial retirement liabilities – these liabilities totaled \$67.3 billion at the end of FY 2020 – roughly half of total DHS liabilities. In FY 2021, DHS was able to downgrade the Journal Voucher and Beginning Balance deficiency from being a contributor to the Financial Reporting material weakness.

With two remaining areas of material weakness in internal controls—in Financial Reporting and Information Technology—the Department’s Chief Financial Officer (CFO) is executing a multi-year plan to achieve an unmodified “clean” ICOFR opinion by FY 2024. The Department recognizes remediation of the remaining areas of material weakness is the most challenging phase of the strategy to achieve a “clean” ICOFR opinion, due to the complexity resulting from DHS’s many CFO-designated systems (with a combination of legacy systems as well as some in various stages of modernization), the need to rely on manual compensating controls in the interim, and the abundance of information and data utilized in DHS business process activities. The Department anticipates making substantial annual progress and continues to build upon its successful internal control enterprise approach, demonstrating incremental and sustainable progress each year, and remains collectively focused on the FY 2024 target.

DHS reported several accomplishments in recent *Integrated Strategy* updates (listed below) that remain integral to meeting the timeline for achieving a “clean” ICOFR opinion and further strengthening financial management.





#### CURRENT STATUS

- Built and continues execution against clearly defined, repeatable business processes, policies, and procedures that sustain progress in resolving deficiencies and reducing their severity;
- Implements and measures progress against a top-down, risk-based strategy that is assessing the overarching control environment both at the Department and Component levels that is preventing control failures, as well as detecting and fixing potential failures early;
- Implemented and continues to utilize the Internal Control Maturity Model to objectively measure each Component's progress on obtaining a "clean" ICOFR opinion;
- Regularly reviews and updates the Department-wide internal control assessment plan and the corresponding assessment procedures using a risk-based approach with qualitative and quantitative measures;
- Regular DHS Senior Leadership commitment and communication to Component Heads and the workforce on the importance of the audit and on prioritizing resources to implement the Department's find, fix, test, and assert strategy;
- Obtains annual commitment from CFOs and Chief Information Officers (CIOs) of those Components that contribute to the Department's outstanding material weaknesses—through recurring meetings—to achieve annual Department-wide audit and ICOFR performance goals (commitments are required as an element of each Component's CFO and CIO performance plans);
- Executes continuous monitoring of progress against Mission Action Plans, identifying critical milestones, addressing audit risks, and reviewing mitigation strategies; and
- Holds status reviews with Component representatives on a regular basis, depending upon the level of identified risk for their organization. Sustainment of controls is subsequently validated by positive ICOFR assessment results submitted by Components to the DHS CFO.

Going forward, the Department will continue to utilize a risk-based approach designed to prioritize high impact systems and critical IT to incorporate and assess controls utilizing the GAO Federal Information System Controls Audit Manual. This approach helps define the scope for internal control assessments and prioritization for IT remediation of both external audit findings as well as internally identified deficiencies. For the internal IT control assessments of financial support systems, the Department has designated 40 critical controls that are addressed through assessments and adequate remediation efforts, if needed, in order to strengthen the IT internal control environment.

At present, all Components have established, or are finalizing, corrective action plans and will be submitting monthly updates to report on remediation progress. For Components that most heavily contribute to the financial reporting and information technology material weaknesses, regular meetings have been established between DHS and Component CFO and CIO leadership levels as necessary to discuss remediation efforts, internal assessments and results, challenges, and potential risk areas.

#### OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Obtain an unmodified (i.e., clean) opinion on internal control over financial reporting for FY 2024.	November 2016	November 2024	<b>Targeting a Fully Addressed rating.</b> The independent auditor will issue its report for FY 2024 in November 2024.





OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
			Adjusted date because select, complex deficiencies are taking longer to fix than originally anticipated.  DHS proposes this outcome be considered Fully Addressed when no material weaknesses exist, and minimal significant deficiencies remain.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2024		Components review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.
DHS CFO to review and validate Component completed remediation steps.	March, June, and August 2024		DHS CFO incrementally reviews and validates remediation steps completed by Components.
DHS CFO will work with Components to assess FY 2023 audit risks and develop corrective actions.	December 2023	January / February 2023	
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2022	November 2023	<b>Targeting a Mostly Addressed rating.</b>  The independent auditor will issue its report for FY 2023 in November 2023.  DHS expects to downgrade one area of material weakness and clear one significant deficiency in FY 2023.  DHS has designed a repeatable process to address the audit conditions and will be executing designed controls and testing to demonstrate effectiveness.  DHS proposes this outcome be considered Mostly Addressed when the Financial Reporting or IT material weakness area is reduced to a significant deficiency.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2023		Components review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.
DHS CFO to review and validate Component completed remediation steps.	March, June, and August 2023		DHS CFO incrementally reviews and validates remediation steps completed by Components.



### OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
DHS CFO will work with Components to assess FY 2022 audit risks and develop corrective actions.	December 2022	January / February 2022	
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2022		Components review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.
DHS CFO to review and validate Component completed remediation steps.	March, June, and August 2022		DHS CFO incrementally reviews and validates remediation steps completed by Components.
DHS CFO will work with Components to assess FY 2021 audit risks and develop corrective actions.	December 2021	January / February 2022	Partially Complete
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2021		Completed.
DHS CFO to review and validate Component completed remediation steps.	March, June, and August 2021		Completed.
DHS CFO will work with Components to assess FY 2020 audit risks and develop corrective actions.	December 2020	January / February 2021	Completed.
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2020	November 2023	While DHS had planned to clear the Financial Reporting material weakness in the FY 2020 audit report, both the Financial Reporting and Information Technology material weaknesses remained for FY 2020 and FY 2021. However, DHS did successful downgrade a Financial Reporting material weakness contributing area, Journal Entries and Beginning Balances, in FY 2021.
Components re-evaluate risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March, June, and August 2020		Completed.
DHS CFO to review and validate Component completed remediation steps.	March, June, and August 2020		Completed.
DHS CFO will work with Components to assess FY 2019 audit risks and develop corrective actions.	December 2019		Completed.



### OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Components re-evaluated risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	June and August 2019	June and August 2019	Completed.
DHS CFO reviewed and validated Components completed remediation steps.	March, June, and August 2019	March, June, August 2019	Completed.
DHS CFO worked with Components to assess FY 2018 audit risks and develop corrective actions.	December 2018	January 2019	Completed.
Demonstrated measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2018	November 2018	Completed.  The independent auditor issued its report for FY 2018 in November 2018.  DHS developed a comprehensive strategy and approach that will steadily work toward remediating all outstanding material weaknesses.
Components ensured adequate resourcing by assessing resource requirements based on the developed risk-based approach and Component identified emerging risks.	N/A	September 2018	Completed.
Components re-evaluated risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, September 2018	March, June, September 2018	Completed.
DHS CFO worked with Components to assess FY 2017 audit risks and develop corrective actions.	December 2017	January 2018	Completed.
Demonstrated measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2017	November 2017	Completed. For FY 2017, DHS remediated one material weakness.  DHS developed a comprehensive strategy and approach that will steadily work toward remediating all outstanding material weaknesses.
Components ensured adequate resourcing by assessing resource requirements based on the developed risk-based approach and Component identified emerging risks.	N/A	October 2017	Completed. DHS CFO conducted a workforce analysis of internal control functions to benchmark resourcing by Component size.
DHS CFO reviewed and validated remediation steps completed by Components.	March, June, August 2017	March, June, August 2017	Completed. DHS CFO incrementally reviewed and validated remediation steps completed by Components.



### OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Components re-evaluated risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March and June 2017	March, June, August 2017	Completed. Components completed testing for as part of routine monitoring.
DHS CFO reviewed and validated remediation steps completed by Components.	March 2017	March, June, August 2017	Completed. DHS CFO verified and validated U.S. Coast Guard property remediation. Remediation is in progress for all other Components.
DHS CFO worked with Components to assess FY 2017 audit risks and develop corrective actions.	December 2016	December 2016	Completed. Identified critical milestones. Tracking critical milestones on a monthly basis with Component CIOs/CFOs.
Demonstrated measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2016	November 2016	Completed. In FY 2016, DHS remediated one significant deficiency. DHS developed a comprehensive strategy and approach that will steadily work toward remediating all outstanding material weaknesses.
Components re-evaluated risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March and June 2016	July and September 2016	Completed.
DHS CFO reviewed and validated remediation steps completed by Components.	March 2016	March 2016	Completed.
DHS CFO engaged with Component CFOs to review the Components' status of addressing audit findings, risks, and mitigation strategies.	February–October 2016	February–October 2016	Completed.
DHS CFO worked with Components to assess FY 2015 audit risks and develop corrective actions.	December 2015	December 2015	Completed.
Demonstrated measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2015	November 2015	Completed. In FY 2015, DHS reduced one of four material weaknesses (reducing the number of materials weaknesses to three).
DHS CFO engaged with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	February 2015–October 2015	February 2015–October 2015	Completed.



## Financial Management Outcome #4

**Outcome Lead:** Alyssa Smiley

**Outcome Executive:** Stacy Marcott

**GAO Outcome:** Sustain unmodified opinions for at least two consecutive years on internal control over financial reporting (ICOFR).

**DHS Successes:** DHS has proven its capacity and capability for strong financial reporting and management, as noted by nine consecutive unmodified (“clean”) financial statement opinions and the reduction of material weaknesses from ten in 2006 down to the remaining two. Specifically, in FY2020 DHS was able to fully remediate a long-standing significant deficiency over Property, Plant, and Equipment. Furthermore, the Department remediated the portion of the Financial Reporting material weakness associated with actuarial retirement liabilities – these liabilities totaled \$67.3 billion at the end of FY 2020 – roughly half of total DHS liabilities. In FY 2021, DHS downgraded the Journal Voucher and Beginning Balance deficiency from being a contributor to the Financial Reporting material weakness. Given this demonstrated record of success, DHS does not believe that the current modified opinion on ICOFR poses a substantial, unmitigated risk to successful financial management at DHS.

### **GAO 2021 Outcome Rating**

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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#### **CURRENT STATUS**

To advance to Partially Addressed, DHS must reduce the financial reporting material weakness to a significant deficiency in order to position the Department to obtain its first unmodified opinion on internal control over financial reporting (ICOFR).

The Department continues to make significant progress by achieving its ninth unmodified audit opinion on the 2021 DHS financial statements and related footnotes. In addition, the sustainment of a “clean” financial statement opinion for nine years provides continued evidence that DHS has implemented internal controls over financial reporting sufficient to ensure that year-end financial reporting is not materially misstated. Given this demonstrated record of success, DHS does not believe that the current modified opinion on ICOFR poses a substantial, unmitigated risk to successful financial management at DHS.

In FY 2020, DHS fully remediated a long-standing significant deficiency over Property, Plant, and Equipment. Furthermore, the Department remediated the portion of the Financial Reporting material weakness associated with actuarial retirement liabilities – these liabilities totaled \$67.3 billion at the end of FY 2020 – roughly half of total DHS liabilities. In FY 2021, DHS was able to downgrade the Journal Voucher and Beginning Balance deficiency from being a contributor to the Financial Reporting material weakness.

With two remaining areas of material weakness in internal controls—in Financial Reporting and Information Technology—the Department’s Chief Financial Officer (CFO) is executing a multi-year plan to achieve an unmodified “clean” ICOFR opinion by FY 2024. The Department recognizes remediation of the remaining areas of material weakness is the most challenging phase of the strategy to achieve a “clean” ICOFR opinion, due to the complexity resulting from DHS’s many CFO-designated systems (with a combination of legacy systems as well as some in various stages of modernization), the need to rely on manual compensating controls in the interim, and the abundance of information and data utilized in DHS business process activities. The Department anticipates making substantial annual progress and continues to build upon its successful internal control enterprise approach, demonstrating incremental and sustainable progress each year, and remains collectively focused on the FY 2024 target.



### CURRENT STATUS

DHS reported several accomplishments in recent *Integrated Strategy* updates (listed below) that remain integral to meeting the timeline for achieving a “clean” ICOFR opinion and further strengthening financial management.

- Continue to clearly defined, repeatable business processes, policies, and procedures that sustain progress in resolving deficiencies and reducing their severity;
- Implements and measures progress against a top-down, risk-based strategy that assesses the overarching control environment both at the Department level and the Component level to prevent control failures as well as detect and fix potential failures early;
- Implemented and continues to utilize the Internal Control Maturity Model to objectively measure each Component progress on obtaining a “clean” ICOFR opinion;
- Regularly reviews and updates the Department-wide internal control assessment plan and the corresponding assessment procedures using a risk-based approach using qualitative and quantitative measures;
- Continuing DHS Senior Leadership commitment and communication to Component Heads and the workforce on the importance of the audit and on prioritizing resources to implement the Department’s find, fix, test, and assert strategy;
- Obtains annual commitment from CFOs and Chief Information Officers (CIOs) of those Components that contribute to the Department’s outstanding material weaknesses—through the DHS CFO and CIO Councils—to achieve annual Department-wide audit and ICOFR performance goals (Commitments are required as an element of each Component’s CFO and CIO performance plans);
- Executes continuous monitoring of progress against the Mission Action Plans, identifying critical milestones, addressing audit risks, and reviewing mitigation strategies; and
- Continue to hold status reviews with Component representatives on a regular basis dependent upon the level of identified risk for their organization. Sustainment of controls is subsequently validated by positive ICOFR assessment results submitted by Components to the DHS CFO.

For FY 2022, Components have submitted commitment letters to the DHS leadership highlighting each Component’s plan and timeline to perform / submit assessment and remediation deliverables in support of the ICOFR business processes as well as for the CFO Designated Systems. Remediation and assessment efforts are ongoing in support of the Department’s find, fix, test, and assert strategy.

### OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Sustain an unmodified (i.e., clean) opinion on internal control over financial reporting for two consecutive years (i.e., FY 2024 and FY 2025).	November 2017	November 2025	<b>Targeting a Fully Addressed rating.</b>  The independent auditor will issue its report for FY 2025 in November 2025.  Adjusted date because IT deficiencies are taking longer to fix than originally anticipated.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2025		Components identify risks that could prevent sustainment of progress and develop appropriate risk response.



OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
DHS CFO to oversee and review A-123 results.	March, June, and August 2025		CFO incrementally reviews Component A-123 assessment results and sustains progress.
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2024		<b>Targeting a Mostly Addressed Rating</b> The independent auditor will issue its report for FY 2024 in November 2024. DHS proposes this Outcome be considered Mostly Addressed when all areas of material weakness have been reduced to a significant deficiency.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2024		Components review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.
DHS CFO to oversee and review A-123 results.	March, June, and August 2024		CFO incrementally reviews Component A-123 assessment results.
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2020	November 2023	<b>Targeting a Partially Addressed Rating</b> DHS proposes this Outcome be considered Partially Addressed when the Financial Reporting or IT material weakness area is reduced to a significant deficiency. DHS has designed a repeatable process to address the audit conditions. Enhanced audit scope and deficiencies highlighted related to Information Produced by the Entity that will take additional time to remediate.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2023		Components review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.
DHS CFO to oversee and review A-123 results.	March, June, and August 2023		CFO incrementally reviews Component A-123 assessment results.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2022		Components review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.





OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
DHS CFO to oversee and review A-123 results.	March, June, and August 2022		CFO incrementally reviews Component A-123 assessment results.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2021		Completed.
DHS CFO to oversee and review A-123 results.	March, June, and August 2021		Completed.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2020		Completed.
DHS CFO to oversee and review A-123 results.	March, June, and August 2020		Completed.
DHS CFO worked with Components to prioritize FY 2019 scope to continue routine monitoring.	October 2018	October 2018	Completed.
Components ensured adequate resourcing by assessing resource requirements based on the developed risk-based approach and Component-identified emerging risks.	N/A	September 2018	Completed.
Components re-evaluated risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and September 2018	March, June, and September 2018	Completed.
DHS CFO oversaw and reviewed A-123 results.	March, June, and August 2018	March, June, and August 2018	Completed.
Components ensured adequate resourcing by assessing resource requirements based on the developed risk-based approach and Component-identified emerging risks.	N/A	April 2018	Completed.
DHS CFO worked with Components to prioritize FY 2018 scope to continue routine monitoring.	October 2017	November 2017	Completed.
Components re-evaluated risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March, June, and August 2017	March, June, and August 2017	Completed.
DHS CFO oversaw and reviewed A-123 results.	March, June, and August 2017	March, June, and August 2017	Completed.
DHS CFO worked with Components to prioritize FY 2017 scope to continue routine monitoring.	October 2016	October 2016	Completed.



OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
DHS CFO reviewed and validated Component-completed remediation steps.	March 2016	July and September 2016	Completed.
Components re-evaluated risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March and June 2016	March 2016	Completed.
DHS CFO worked with Components to assess FY 2015 audit risks and develop corrective actions.	December 2015	December 2015	Completed.
Demonstrated measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2015	November 2015	In FY 2015, DHS reduced one of four material weaknesses.
DHS CFO engaged with Component CFOs to review their status toward addressing audit findings, risks, and mitigation strategies.	October 2015 and October 2016	October 2015 and October 2016	Completed.



## Financial Management Outcome #5

**Outcome Lead:** Alyssa Smiley

**Outcome Executive:** Stacy Marcott

**GAO Outcome:** Achieve substantial compliance with the *Federal Financial Management Improvement Act* of 1996 (FFMIA) as reported annually by its independent auditors in accordance with the Act.<sup>1</sup>

**DHS Successes:** DHS has proven its capacity and capability for strong financial reporting and management, as noted by nine consecutive unmodified (“clean”) financial statement opinions and the reduction of material weaknesses from ten in 2006 down to the remaining two. While the FY 2021 independent auditor report noted areas of FFMIA noncompliance, DHS was no longer highlighted as noncompliant with the requirement for financial management systems to comply with the U.S. Standard General Ledger (USSGL) at the transaction level. Given this demonstrated record of success and dedicated commitment for additional remediation and control enhancements, DHS does not believe that the current modified opinion on Internal Control over Financial Reporting (ICOFR) and remaining challenges with FFMIA pose a substantial, unmitigated risk to successful financial management at DHS.

### GAO 2021 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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#### CURRENT STATUS

FFMIA Section 803(a) requires that agency Federal financial management systems comply with (1) applicable Federal accounting standards; (2) Federal financial management system requirements; and (3) the USSGL at the transaction level. DHS monitors and assesses Component financial systems for compliance with FFMIA Section 803(a) requirements for its core financial management systems. In addressing compliance, DHS follows the Office of Management and Budget (OMB) Compliance Framework.<sup>2</sup> The DHS Chief Financial Officer (CFO) ensures procedures are in place to provide guidance that summary adjustments posted in the financial system(s) are traceable to the transaction source, and ensures Components accurately report instances of non-conformance to generally accepted accounting principles.

To further strengthen management, DHS, through a CFO / Chief Information Officer (CIO) integrated approach and strategy, is conducting the following activities:

- Requiring Components to document necessary actions to remediate information technology (IT) security control weaknesses in their corrective action plans. The Department’s independent auditor reviews Component compliance with FFMIA annually.
- Continuing remediation efforts to downgrade the Financial Reporting weakness area to a significant deficiency by FY 2022 and reducing the severity of the IT weakness area to a significant deficiency by FY 2024 in order to meet OMB Circular A-123 Appendix D requirement for complying with FFMIA.
- Assessing the Department’s FFMIA compliance utilizing the compliance framework as outlined in OMB Circular A-123. DHS plans to be FFMIA-compliant by FY 2024, as the Department expects to remediate the IT and Financial Reporting areas of material weakness by then, as well as achieve compliance with the Federal Information Security Modernization Act of 2014.

<sup>1</sup> *Federal Financial Management Improvement Act (FFMIA)*, Congress Public Law No. 104-208, 104th, September 30, 1996.

<sup>2</sup> Office of Management and Budget, *Management’s Responsibility for Internal Control*, OMB Circular A-123 (Washington, D.C.: September 20, 2013), Appendix D, *Compliance with the Federal Financial Management Improvement Act of 1996*.



### CURRENT STATUS

For FY 2022, Components have submitted commitment letters to the DHS leadership highlighting each Component's plan and timeline to perform / submit assessment and remediation deliverables in support of the ICOFR business processes as well as for the CFO Designated Systems. Remediation and assessment efforts are ongoing in support of the Department's find, fix, test, and assert strategy.

### OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Substantially comply with the requirements of FFMIA as reported by the independent auditor.	November 2016	November 2024	<b>Targeting a Fully Addressed rating.</b> The independent auditor will issue its report for FY 2024 in November 2024. Remediation of IT findings are taking longer to fix. The Department proposes this outcome be considered Fully Addressed when DHS downgrades the material weaknesses in Financial Reporting and in IT, to satisfy the FFMIA requirement regarding Federal financial management system requirements, based on OMB's updates to Circular A-123.
Components re-evaluate risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March, June, and August 2024		Components review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.
Conduct quarterly risk assessments and incorporate results into Component risk management plans through recurring quarterly meetings.	December 2023; April and July 2024		Risk assessment meetings track progress being made on areas needing most improvement, or areas that would significantly impact ability to reduce weaknesses in internal control and business processes.
DHS CFO to engage with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	December 2023 through August 2024		Monthly action.



## OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
The Independent Auditor's Report notes further improvement in Component FFMIA compliance and indicates a reduction in the number of Components contributing to the IT and Financial Reporting conditions.	November 2022	November 2023	<b>Targeting a Mostly Addressed Rating</b> The independent auditor will issue its report for FY 2023 in November 2023. DHS proposes this Outcome be considered Mostly Addressed when the Financial Reporting or IT material weakness area is reduced to a significant deficiency. Based on the DHS strategy and Component plans to resolve existing deficiencies, DHS is targeting to reduce the Financial Reporting area of material weakness in FY 2023.
Components re-evaluate risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March, June, and August 2023		Components review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.
Conduct quarterly risk assessments and incorporate results into Component risk management plans through recurring quarterly meetings.	December 2022; April and July 2023		Risk assessment meetings track progress being made on areas needing most improvement, or areas that would significantly impact ability to reduce weaknesses in internal control and business processes.
DHS CFO to engage with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	December 2022 through August 2023		Monthly action.
Components re-evaluate risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March, June, and August 2022		Components review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.
Conduct quarterly risk assessments and incorporate results into Component risk management plans through recurring quarterly meetings.	December 2021; April and July 2022		Partially Complete: Risk assessment meetings track progress being made on areas needing most improvement, or areas that would significantly impact ability to reduce weaknesses in internal control and business processes.
DHS CFO to engage with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	December 2021 through August 2022		Partially Complete: Monthly action.



## OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Components re-evaluate risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March, June, and August 2021		Completed.
Conduct quarterly risk assessments and incorporate results into Component risk management plans through recurring quarterly meetings.	December 2020; April and July 2021		Completed.
DHS CFO to engage with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	December 2020 through August 2021		Completed.
The Independent Auditor's Report notes further improvement in Component FFMIA compliance and indicates a reduction in the number of Components contributing to the IT and Financial Reporting conditions.	November 2016	November 2020	Completed.  While DHS had planned to clear the Financial Reporting material weakness in the FY 2020 audit report, both the Financial Reporting and Information Technology material weaknesses remain. However, DHS was able to clear the Property, Plant, and Equipment significant deficiency and removed a Component from contributing to the IT area of material weakness.
Assessed the Department's FFMIA compliance based on the results of DHS-wide assessment.	November 2019		Completed.
Components re-evaluated risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March, June, and August 2019	June and August 2019	Completed. March submission was extended to be submitted with June due to impact of lapse in appropriations
Conducted quarterly risk assessments and incorporate results into Component risk management plans through recurring quarterly meetings.	December 2018; April and July 2019	December 2018 and July 2019	Completed. April submission was extended to be submitted with July due to impact of lapse in appropriations
DHS CFO engaged with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	February–December 2019		Completed.
Assessed the Department's FFMIA compliance based on the results of DHS-wide assessment.	November 2018		Completed.
Components re-evaluated risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March, June, and August 2018		Completed.



### OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Conducted quarterly risk assessments and incorporate results into Component risk management plans through recurring quarterly meetings.	December 2017; April and July 2018		Completed.
DHS CFO engaged with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	February– December 2018		Completed.
DHS CFO to engage with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	February– December 2017	February– December 2017	Completed.
Assess the Department's FFMIA compliance based on the results of DHS-wide assessment.	November 2017	November 2017	Completed.
Components re-evaluated risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March, June, and August 2017	March, June, and August 2017	Completed.
Conducted quarterly risk assessments and incorporated results into Component risk management plans through recurring quarterly meetings.	December 2016; April and July 2017	December 2016; April and July 2017	Completed.
The Independent Auditor's Report notes further improvement in Component FFMIA compliance and indicates a reduction in the number of Components contributing to the IT and Financial Reporting condition.	November 2016		FY 2016 Independent Auditor's Report noted that DHS progressed toward compliance with FFMIA and remediated some of the conditions identified in the prior year.
Components re-evaluated risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	June 2016	June 2016	Completed.
Assessed the Department's FFMIA compliance based on the results of DHS-wide assessment.	May 2016	June 2016	Completed.
Conducted quarterly risk assessments and incorporated results into Component risk management plans through recurring quarterly meetings.	March 2016	March 2016	Completed.
DHS CFO engaged with Component CFOs to review the status of	February– December 2016	February– December 2016	Completed.





#### OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
addressing audit findings, risks, and mitigation strategies.			
DHS CFO engaged with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	February– December 2015	February– December 2015	Completed.
The Independent Auditor's Report noted improvement in Component FFMIA compliance.	November 2015	November 2015	Completed. Improvement from five Components noted to four in the Independent Auditor's Report.
Components re-evaluated risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	June 2015	June 2015	Completed.
Assessed the Department's FFMIA compliance based on the results of DHS-wide assessment.	May 2015	May 2015	Completed.



## Financial Management Outcomes #6–8

**Outcome Lead:** Jeffrey Bobich

**Outcome Executive:** Stacy Marcott

**GAO Outcome:** Effectively manage the implementation of a financial management system solution or modernization of existing systems for the U.S. Coast Guard (USCG) and its customers; Federal Emergency Management Agency (FEMA); and U.S. Immigration and Customs Enforcement (ICE) and its customers by:

- Applying rigorous and disciplined information technology (IT) acquisition management processes throughout the program/project lifecycle that is consistent with software engineering best practices. These steps will help to ensure that the systems meet expected capabilities/requirements and associated mission benefits.
- Implementing oversight mechanisms to monitor contractors or shared service providers selected to implement the solution or modernize the existing systems. These steps will help to ensure that actual cost, schedule, and performance are within established threshold baselines, and variances are identified, tracked, and addressed.

**DHS Successes:** DHS successfully completed modernization for the first “Trio” of Components – Countering Weapons of Mass Destruction Office (CWMD), Transportation Security Administration (TSA), and USCG – using a rigorous and disciplined acquisition management process with strong oversight and monitoring of contractors. DHS has sustained an unmodified financial statement audit opinion for nine consecutive years – including the years immediately after the CWMD and TSA modernizations. Given this demonstrated record of success, we will continue to be successful with FEMA and ICE modernization. While challenging, these programs are not a risk to successful financial management at DHS – FEMA and ICE have been able to produce accurate, auditable financial data despite their outdated systems.

**GAO 2021 Outcome Rating: FM 6 (USCG)**

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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**GAO 2021 Outcome Rating: FM 7 (FEMA) and 8 (ICE and ICE Customers)**

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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### CURRENT STATUS

DHS consolidated action plans for financial systems modernization (FSM) efforts into a single plan that reflects the Department’s consolidated strategy and program management approach.

Background: DHS initially planned to move USCG’s financial systems to a shared services solution hosted by the Department of the Interior, Interior Business Center (IBC). In late 2016, DHS and IBC mutually agreed to end this partnership and determined the best path forward was to move the software solution to a new hosting location or data center. DHS also assumed operation of the system and planned to transition TSA and USCG to the solution.

During Q4 FY 2018, the FSM solution for CWMD, TSA, and USCG transitioned from IBC to DHS data centers. This solution delivers a standardized baseline solution for the Trio with increased functionality and integration for CWMD. FSM also received Acquisition Review Board approval to begin implementation of TSA and USCG functionalities.



## CURRENT STATUS

The system integrator delivered all TSA functionality in FY 2020, and TSA went live on the solution in Q1 FY 2021. In Q3 FY 2021, the solution was moved to a cloud environment. USCG successfully transitioned to the solution in Q1 FY 2022. In December 2021, DHS provided GAO notice of USCG's completed transition to the new financial system and requested GAO update the FM 6 rating to Fully Addressed. GAO is currently reviewing this information.

### JPMO

DHS established a Joint Program Management Office (JPMO) to provide FSM oversight, program management, execution, priorities, risk, cost, and schedule. In Q4 FY 2018, the JPMO received approval of a Joint Concept of Operations and the Joint Operational Requirements Document.

DHS has prioritized essential system modernizations for the Components with the highest business need and projected greatest potential return on investment for improved and standardized business processes. The revised action plan and timelines for GAO outcomes FM 7-8 are discussed below.

### FEMA (FM 7) and ICE and ICE Customers (FM 8):

- The DHS Deputy Under Secretary for Management, as the Acquisition Decision Authority, approved both the FEMA (FM 7) and ICE and ICE Customers (FM 8) as DHS Level II acquisition programs on January 12, 2021, upon their successful conclusion of the Needs phase acquisition milestone. ICE Customers include U.S. Citizenship and Immigration Services (USCIS), Cybersecurity and Infrastructure Security Agency (CISA), Science & Technology Directorate (S&T), and Departmental Management and Operations (DMO).
- The Department released solicitations for strategic sourcing vehicles for software – Enterprise Financial Management Software (EFiMS), and systems integration – Enterprise Financial Systems Integrator (EFSI) – in October 2019. EFSI was awarded in November 2020. DHS successfully defended against a subsequent protest, and the EFSI vehicle has been available since March 2021.
- In November 2019, DHS received a protest of EFiMS in the Court of Federal Claims and paused all EFiMS work. The litigation regarding the Request for Proposal was dismissed in October 2020. EFiMS was awarded in Q4 FY2021. A lengthy court protest of the EFiMS award was resolved in late February 2022, DHS is moving forward with Component task order awards for software and integration services. Implementation plans, with key milestone dates, are under development.

## OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
<b>FM 6</b>			
USCG completes migration of their financial management systems.	October 2021	December 2021	<b>Completed:</b> <b>USCG migration is complete, and GAO Outcome FM 6 actions are Completed.</b>
USCG go live.	October 2021	December 2021	Completed: USCG went live Dec. 17, 2021.



OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
USCG Data conversion and migration.	October 2021	December 2021	Completed: Data was incorporated from old to new system.
USCG Training.	October 2021	December 2021	Completed: USCG Training Team received new system and business process training.
USCG Program status review.	September 2021	October 2021	Completed: USCG presented documentation to support that the solution is ready for deployment and support.
USCG User Acceptance Testing.	September 2021	September 2021	Completed: End users tested and accepted system software based on their requirements and approved test plans.
USCG System Integration Testing.	June 2021	June 2021	Completed: Systems Integrator completed test and accepted system software based on their requirements and approved test plans.
DHS completes configuration and interfaces for USCG.	December 2020	July 2021	Completed: Some Interface, RICEW development and CR work has been extended (I/F RICEW Dev Complete – May 2021, Non-I/F RICEW Dev Completed – June 2021.
TSA completes migration of their financial management systems.	October 2020	October 2020	<b>TSA migration is complete.</b>
TSA go live.	October 2020	October 2020	TSA went live on 30 October 2020
TSA Data conversion and migration.	October 2020	October 2020	Data was incorporated from old to new system.
TSA Training.	October 2020	October 2020	TSA training extended beyond go-live
TSA Test and acceptance.	October 2020	September 2020	TSA UAT ended in September 2020
TSA Program status review.	September 2020	October 2020	TSA ADE-2C occurred in October 2020 prior to go-live.
DHS implements system configurations for TSA.	February 2020	May 2020	Some TSA RICEW development extended to May 2020 but was complete in time for System Integration Testing.



OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
DHS completes configuration and interfaces for TSA.	March 2020	May 2020	Some TSA RICEW development extended to May 2020 but was complete in time for System Integration Testing.
CWMD refreshes to Release 12.2.7.	October 2019	October 2019	Completed.
DHS completed initial configuration to Release 12.2.7 for CWMD.	July 2019	July 2019	System provider configured system software to meet requirements.
DHS completed discovery for TSA and USCG in new hosted environment.	January 2018	July 2018	The system integrator delivered the final Discovery Report in July 2018.
Completed hosting migration of CWMD and CWMD go live in new hosted environment.	March 2018	August 2018	Completed.
Awarded integrator contract.	Q1 FY 2018	December 2017	Completed.
Awarded hosting task order.	September 2017	September 2017	Completed.
Hosting discovery phase.	August 2017	July 2017	Completed.
CWMD completes migration of their financial management systems to a federal shared service provider.	October 2015	November 2015	Go-live completed on November 5, 2015.
CWMD program status review.	September 2015	October 2015	The Under Secretary for Management was presented with documentation to support that the solution is ready for deployment and support.
CWMD training.	August 2015	October 2015	End users received new system and business process training.
CWMD test and acceptance.	August 2015	October 2015	Completed. Schedule adjusted due to late cycle testing.
CWMD data conversion and migration.	August 2015	September 2015	
CWMD system configuration.	March 2015	June 2015	System provider configured system software to meet requirements.
FM 7			
FEMA completes migration of their financial management systems.	TBD		<b>Targeting a Fully Addressed rating for GAO Outcome FM 7.</b>
FEMA go live.	TBD		Component will present documentation to support that the solution is ready for deployment and support.



OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
FEMA Program status review.	TBD		End users will receive new system and business process training.
FEMA Data conversion and migration.	TBD		End users will test and accept system software based on their requirements and approved test plans.
FEMA Training.	TBD		Data will be incorporated from old to new system.
FEMA Test and acceptance.	TBD		System provider will configure system software to meet requirements.
DHS completes configuration and interfaces for FEMA.	TBD		
Discovery phase.	TBD		
Select the system integrator.	TBD	October 2022	
Select the software.	TBD	July 2022	
Strategic Sourcing Software Licensing vehicle.	TBD	February 2022	Enterprise Financial Management Software (EFIMS) was awarded in September 2021. A protest was resolved in February 2022.
Strategic Sourcing System Integration (SI) vehicle.	Q2 FY 2020	March 2021	Completed: Enterprise Financial Systems Integrator (EFSI) vehicle was awarded November 2020, and protest resolved favorably in March 2021.
FM 8			
ICE and other ICE Customers (i.e., CISA, S&T, and DMO) complete migration of their financial management systems.	TBD		<b>Targeting a Fully Addressed rating for GAO Outcome FM 8.</b>
ICE and other ICE Customers go live.	TBD		Component will present documentation to support that the solution is ready for deployment and support.
ICE and other ICE Customers Program status review.	TBD		End users will receive new system and business process training.
ICE and other ICE Customers Data conversion and migration.	TBD		End users will test and accept system software based on their requirements and approved test plans.
ICE and other ICE Customers Training.	TBD		Data will be incorporated from old to new system.



OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
ICE and other ICE Customers Test and acceptance.	TBD		System provider will configure system software to meet requirements.
DHS completes configuration and interfaces for ICE and other ICE Customers.	TBD		
USCIS complete migration of their financial management systems.	TBD		<b>Targeting a Partially Addressed rating for GAO Outcome FM 8.</b> USCIS will be the first ICE Customer to pilot the financial management system. The Fully Addressed rating for GAO Outcome FM 8 will occur once ICE and other ICE Customers (i.e., CISA, S&T, and DMO) migrate to the financial management system.
USCIS go live.	TBD		Component will present documentation to support that the solution is ready for deployment and support.
USCIS Program status review.	TBD		End users will receive new system and business process training.
USCIS Data conversion and migration.	TBD		End users will test and accept system software based on their requirements and approved test plans.
USCIS Training.	TBD		Data will be incorporated from old to new system.
USCIS Test and acceptance.	TBD		System provider will configure system software to meet requirements.
DHS completes configuration and interfaces for USCIS.	TBD		
Discovery phase.	TBD		
Select the system integrator.	TBD	October 2022	
Select the software.	TBD	July 2022	
Strategic Sourcing Software Licensing vehicle.	TBD	February 2022	Enterprise Financial Management Software (EFIMS) was awarded in September 2021. A protest was resolved in February 2022.
Strategic Sourcing System Integration (SI) vehicle.	Q2 FY 2020	March 2021	Completed. Enterprise Financial Systems Integrator (EFSI) vehicle was awarded November 2020, and





OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
			protest resolved favorably in March 2021.





## Human Capital Management Outcome #7

**Outcome Lead:** Tyler Maxey/Neil Singh

**Outcome Executive:** Laurie Boulden

**GAO Outcome:** Assess Development Programs – Develop and implement a mechanism to assess education, training, and other development programs and opportunities to help employees build and acquire needed skills and competencies. This includes making demonstrated, sustained progress in implementing and assessing a formal training and development strategy, providing formal and on-the-job training opportunities, supporting individual development plans, developing rotational assignments and opportunities, and allowing for formal and informal mentoring relationships among employees and managers.

**DHS Successes:** The Department of Homeland Security Rotation Program (HSRP) is a congressionally mandated professional development program sponsored by the Office of the Chief Human Capital Officer (OCHCO). The HSRP was established to allow employees to cultivate and expand their skills while fulfilling critical mission assignments temporarily. The Rotation Program continues to expand as trending data has demonstrated. More employees are participating in the program, successfully completing short-term projects and mission critical assignments without increasing the number of full-time employees. In addition, DHS implemented processes for integrating Component training priorities, training cost data, and training activity data from disparate Learning Management Systems into a centralized report of DHS-wide training data for OCHCO senior leadership. Lastly, DHS OCHCO is directly involved in implementing programs aligned with the Secretary's Infrastructure Transformation (SIT) efforts centered on employee training, including implementing a new training program focusing on the ethos of being a public servant and ensuring that all DHS training is innovative, engaging, and the correct blend of time and value.

### **GAO 2021 Outcome Rating**

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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#### **CURRENT STATUS**

The Department's efforts relating to this outcome include (1) continued implementation and sustainment of the DHS rotation policy; (2) continued implementation of, and updates to, the DHS Workforce Development Plan (WDP); and (3) continued annual reviews of Component training plans to ensure compliance with DHS policy. In order to advance to Fully Addressed, it is the Department's understanding that additional evidence must be provided to GAO that reflects the use of DHS-wide training data to inform human capital programs.

DHS-wide training data was used to identify two enterprise training priorities (i.e., law enforcement training and leader development training) and established a baseline for tracking training cost and training activity relative to these priorities. Future reporting of DHS-wide training data will monitor trends on Component training priorities, training cost, and training activities. Additionally, DHS wide training data on Component training priorities was used to inform the 2021-2024 DHS Workforce Development Plan, which enables effective application of resources for programs as well as promoting collaboration and a shared learning culture across DHS.

The Department implemented Performance and Learning Management System (PALMS) capabilities in select Components to enhance the accessibility and comparability of DHS training data.<sup>1</sup> While PALMS serves a majority of DHS, it is not the sole enterprise solution for learning management. The

<sup>1</sup> Components leveraging PALMS learning management system module: U.S. Customs and Border Protection (CBP), Federal Law Enforcement Training Centers (FLETC), U.S. Immigration and Customs Enforcement (ICE), U.S. Citizenship and Immigration Services (USCIS), U.S. Secret Service (USSS), Cybersecurity and Infrastructure Security Agency (CISA), and Headquarters.



### CURRENT STATUS

Department has built data interchanges between the four learning management solutions and the Human Capital Enterprise Information Environment to create a central repository for the Department's training data, which allows for enterprise-wide reporting and data analytics. This central repository is used for Enterprise Human Resources Integration (EHRI) monthly reporting to the Office of Personnel Management and to enable internal data analysis and reporting by the DHS Learning, Education, and Development Strategy (LEADS) team in OCHCO. The first internal data report was produced in January 2022 and reports will be produced and briefed to OCHCO leadership semi-annually to identify and monitor trends in training priorities, training cost, and training activity reported by Components.

### OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Track DHS-wide training data and brief the DHS Chief Learning Officer (CLO) and DHS Chief Human Capital Officer (CHCO) semi-annually.	August 2021	January 2022	<b>Targeting a Fully Addressed rating.</b> DHS-wide training data summary was briefed to the DHS Acting Chief Learning Officer on January 11, 2022. The report was submitted to the DHS Acting Chief Human Capital Officer on January 12, 2022. OCHCO will continue adding new data quarterly, analyzing trends, and providing updates to the DHS CLO and CHCO semi-annually on DHS-wide training data.
Validated data with DHS Components and developed initial DHS-wide training data report.	June 2021	September 2021	<b>Completed</b> The initial DHS-wide training data report was successfully developed. Pending delivery to the Chief Learning Officers Council (CLOC).
Developed data reporting dashboard to display and analyzed current DHS training data.	November 2020	July 2021	<b>Completed</b> DHS completed a database and dashboard with 500 million DHS training records going back to 2015. This is updated every 6 hours.
Finalized and implemented DHS Workforce Development Plan FY2021-2024.	April 2021	April 2021	<b>Completed</b>
Reviewed DHS Component Training Plans per DHS policy.	March 2021		<b>Completed</b>
Rotations Program quarterly meetings provided program updates and gather information from component representatives.	February 2021		<b>Completed</b>
Created a data feed of DHS training from current DHS Learning Management Systems to collect and analyze training in a useful format and training tool.	December 2020	December 2020	<b>Completed</b>



OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Conducted annual review of Component compliance with implementing the DHS Rotation Program.	December 2019		Completed. This review demonstrated continued implementation and sustainment of the DHS Rotations Program.
Established data interchanges to enable enterprise-wide reporting and analytics of DHS training data.	June 2019	November 2019	Completed.
Conducted annual review of Component compliance with DHS training policy.	December 2018	June 2019	Completed. DHS annually captures and tracks DHS-wide training and development data to provide evidence of Components' compliance with laws, regulations, and DHS learning and development policies, as well as provide data on trends and gaps in DHS mission training metrics.
Provided GAO with evidence of PALMS sustainment.	December 2018		Completed. PALMS is operational and metrics are published monthly to demonstrate usage.
Provided evidence reflecting implementation of the DHS Rotation Program.	September 2018	December 2018	Completed. Provided in December 2018.
Provided evidence reflecting implementation of the FY 2018–2019 Workforce Development Plan.	September 2018	August 2018	Completed. Provided in August 2018 and June 2019.
Assessed Component compliance with DHS training policy.	December 2017	December 2017	Completed. DHS submitted to GAO the “DHS Component Training Plan Review Report” on December 28, 2017.
Assessed FY 2016–2017 WDP actions and developed FY 2018 plan.	December 2017	December 2017	Completed. DHS provided GAO with the FY 2016-2017 WDP Assessment Report in October 2017 and the FY 2018–2019 WDP in January 2018.
Rolled-out PALMS learning management system module in designated Components.	May 2017	CBP, 07/13/15 HQ, 10/06/15 FLETC, 12/10/15 ICE, 06/01/16 USSS, 06/15/17	Completed. PALMS is currently deployed to designated Components.
Issued the Rotations Directive and Instruction.	September 2016	August 2016	Completed. Issued August 2016.
Provided evidence that gap analysis results are being used to improve knowledge, skills, and abilities.	September 2016	September 2016	Completed. Provided in September 2016.



OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Tracked compliance through the Human Resources Operations Audit.	December 2015	August 2015	Completed. Incorporated leadership development and training items.
Issued the Workforce Development Plan and implemented planned actions.	September 2015	October 2015	Completed. The FY 2016–2017 DHS Workforce Development Plan was issued in October 2015.
Issued the Directive and Instruction, “Employee Learning and Development.”	July 2015	September 2016	Completed. Issued September 2016.
Issued the guides for Components and conducted assessments.	July 2015	April 2016	Completed. In April 2016, the <i>Needs Assessment Guide</i> and <i>Training Evaluation Guide</i> were published. Components were also assessed on their assessment and training evaluation practices.



## IT Management Outcome #6

**Outcome Leads:** Kenneth Bible/Luis Coronado

**Outcome Executive:** Eric Hysen

**GAO Outcome:** Enhance Information Technology (IT) Security – Establish enhanced security of the Department’s internal IT systems and networks as evidenced by:

- Demonstrating measurable progress in achieving effective information system controls by downgrading the Department’s material weakness in financial systems security to a significant deficiency for two consecutive years and reducing the deficiencies that contribute to the significant deficiency, as reported by the independent auditors of the Department’s financial statements;
- Implement the federal desktop core configuration on applicable devices and instances across Components, as determined by an independent assessment;
- Promptly develop remedial action plans and demonstrate sustained progress mitigating known vulnerabilities, based on risk, as determined by an independent assessment; and
- Implement key security controls and activities, as independently assessed by the Office of Inspector General or external auditor based on *Federal Information Security Management Act of 2002* (FISMA) reporting requirements.

**DHS Successes:** DHS OCIO has fully addressed five of the six outcomes for Information Technology and has made progress toward resolution of the final outcome. At the same time, OCIO has rapidly deployed a series of technical solutions to meet emerging priorities across the Department, as well as steadily introducing key programs to integrate functions across the enterprise. One example is the Unified Cybersecurity Maturity Model (UCMM). DHS has implemented a UCMM framework to align cybersecurity spending and new cybersecurity capability requests to critical cybersecurity domains and current initiatives, further improving alignment between DHS and National Security Strategies. The UCMM framework has been a key in aligning recovery actions from the SolarWinds Incident and guiding implementation of critical cybersecurity capabilities and above guidance requests. Going forward, the framework provides a means to guide cybersecurity maturity level measurement for the Department.

The Department believes that it has largely addressed the issues and concerns raised in IT Management Outcome #6. DHS will separately present a rationale and supporting evidence to GAO for the removal of the high-risk designation on DHS IT Management, which includes monitoring the Department’s activities consistent with other agencies in the context of the broader, government-wide “Ensuring the Cybersecurity of the Nation” GAO High-Risk area. Notwithstanding the Department’s position, the action plan herein details the actions and milestones that GAO previously assessed as being necessary for ITM #6 to achieve a Fully Addressed rating.

### **GAO 2021 Outcome Rating**



### **CURRENT STATUS**

As previously agreed to with GAO, in order to reach Fully Addressed, DHS must achieve and sustain a downgrade of its material weakness in financial systems security to a significant deficiency for two consecutive years. The Department has implemented continuous monitoring of progress against the



## CURRENT STATUS

remediation work plan, identifying critical milestones, addressing audit risks, and reviewing mitigation strategies.

### **Internal Controls:**

In a joint effort by the DHS CIO and the Chief Financial Officer (CFO), DHS has expanded the IT internal control program to assist in the monitoring and management of the IT internal controls for the Department and jointly support Components in efforts to strengthen IT general controls, systems security, and IT internal controls environments.

DHS CISO has expanded the Independent Verification and Validation (IV&V) capabilities of Component IT to address Notices of Findings and Recommendations (NFR) remediation. This capability allows DHS CISO to verify the component and system personnel have remediated the finding appropriately as identified by the annual DHS Financial Statement Audit.

Key recommendations from various audits and assessments are incorporated in the FY Information Security Performance Plan (ISPP) and monitored for successful implementation across the Department through the monthly DHS FISMA Scorecard. DHS CISO Compliance staff meet on a regular basis with Component CISO staff to address the FISMA Scorecard deficiencies.

DHS has enhanced the Plan of Action and Milestones (POA&M) monitoring program to ensure the completeness and quality of remediation activity and POA&M management. The program consists of two reviews, a Weakness Remediation Completeness Review and POA&M Quality Review, which are described below. Both reviews are based on remediation completion evidence and POA&M data maintained in the Information Assurance Compliance System (IACS), reflected on the FISMA Weakness Remediation Scorecard.

DHS has developed remedial action plans and demonstrated sustained progress mitigating known vulnerabilities, based on risk, as determined by an independent assessment as noted throughout this document. Specifically, we have expanded our Independent Verification and Validation process, implemented a Unified Cybersecurity Maturity Model framework, established the Cybersecurity Service Provider Program (CSP), and established the Hack DHS Vulnerability Assessment Program.

DHS CIO continues to hold Component IT remediation status meetings prioritizing the weaknesses with the greatest impact to the Department with appropriate Component executives. For example, meetings are held routinely with Federal Emergency Management Agency (FEMA) and U.S. Coast Guard (USCG), who have the most complex remediation challenges. As a result of these meetings, approximately 50% of FY 2020 IT NFRs have been resolved.

### **Continuous Monitoring:**

The DHS Cybersecurity Continuous Diagnostics and Mitigation (CDM) Program within DHS has been instrumental in effectively protecting Departmental network infrastructure by providing all DHS Components with the ability to leverage best-in-breed technologies that identify cybersecurity risks, develop mitigation strategies, and implement mitigations based on the potential impacts on all the DHS Component missions. Participating Components are reporting hardware asset management (HWAM), configuration settings management (CSM), and vulnerabilities (VULN) data to the Department's CDM Dashboard and generating cybersecurity risk scores. The DHS CIO is using CDM data to produce monthly risk dashboards and FISMA reports.

DHS has also finished implementation of Phase III Incident Response Reporting (IRR) capability within U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement Amazon Web Services (AWS) Gov Cloud environments and provided the Department with a central code repository to maintain and share cybersecurity playbooks across DHS, as well as, successfully trained





## CURRENT STATUS

thirty-three (33) Cybersecurity Analysts as Swimlane Certified Security Orchestration, Automation and Response (SOAR) Administrators/Developers for DHS.

### **Supply Chain Risk Management (SCRM):**

The Department has accelerated its information communications technology (ICT) SCRM implementation, to include:

- Establishing programmatic and process discipline to manage information flows between intelligence, procurement, and other SCRM stakeholders.
- Developing cyber hygiene contract standards that leverage lessons learned from the Department of Defense (DoD) Cybersecurity Maturity Model Certification (CMMC) framework to ensure vendors handling DHS data or building DHS systems have mature cybersecurity programs to appropriately protect DHS data.
- Exploring the means by which to evaluate vendors with a focus not only upon self-declaration, but through independent assessment to verify sound cybersecurity processes are in use throughout their Software Development Life Cycle--particularly for commercial-off-the-shelf (COTS) products.
- Developing the means to continuously assess the range of products, services, and software across the Enterprise to understand where corporate changes (mergers, buy-outs, offshoring, foreign interests, etc.) may pose risks to the integrity of products in the environment.

Furthermore, to accelerate vendor evaluation efforts following recent events, the DHS CIO is developing a vendor evaluation framework by combining critical cybersecurity standards and best practices, and mapping controls and processes across several maturity levels that range from basic cyber hygiene to advanced. In close collaboration with the Office of the Chief Procurement Officer (OCPO) and Office of General Counsel (OGC), the DHS CIO had successfully completed an initial pathfinder assessment on an existing small business contract that contains DHS's Cyber Hygiene clauses and continues to further evaluate additional vendors. Through the complete implementation of this model, DHS will gain the vendor assurances/certifications needed to safeguard sensitive information across the DHS supply chain.

### **Cybersecurity:**

The DHS Secretary has outlined a bold vision and implemented a roadmap for the Department's cybersecurity efforts to confront the growing threat of cyber-attacks, to drive action in the coming year, and to raise public awareness about key cybersecurity priorities. Across the enterprise, the Department's cybersecurity and critical infrastructure responsibilities focus on four key areas, including: securing federal civilian networks, strengthen the security and resilience of critical infrastructure, assessing and countering evolving cyber risks, and combatting cybercrime.

The DHS CIO has prioritized the collaboration with all Components to focus on successful implementation of key cybersecurity initiatives such as Cloud Modernization, implementing a Zero Trust Architecture through the incremental implementation of Zero Trust capabilities, accelerating capability delivery of the DHS Supply Chain Risk Management (SCRM) program, enhancing the DHS Cybersecurity Service Provider (CSP) program to provide cybersecurity maturity assessments to other federal agencies, and hardening Identity and Credential Access Management (ICAM) capabilities within the Department.

DHS CIO is also expanding the newly established 'Hack DHS' bug bounty program to focus on critical vulnerabilities such as Log4J by leveraging highly vetted and talented white hat hackers to search for vulnerabilities and weakness that may be missed in day-to-day operations by DHS stakeholders.





## CURRENT STATUS

DHS CFO and DHS CIO have prioritized the integration of cybersecurity risk into the DHS Enterprise Risk Management (ERM) framework to ensure Cybersecurity Risk is incorporated into the DHS-wide ERM process.

The DHS CISO has formalized the DHS CISO Council to be the overarching governing body for the integration of cybersecurity operations across the varied Component missions organic to the Department. The Council meets weekly to discuss and coordinate the development of solutions across the Department.

In response to the SolarWinds supply chain attack in FY 21, DHS CIO has developed and approved a set of tailored network architecture and cybersecurity improvements to strengthen the DHS Enterprise network against future cyber-attacks. These improvements encompass maturity actions that restore confidence in the network, ensure continued mission success, and build a resilient DHS Enterprise network. Existing funding and resources have been aligned, or in some cases requested, to support the discrete actions to reduce the Department's susceptibility to cyber-attack.

- DHS has awarded four Enterprise Infrastructure Solutions (EIS) task orders for modernizing its telecommunications infrastructure with Internet Protocol-based networking services. Software defined wide area network (SD-WAN) and other cybersecurity protections will reduce the Department's attack surface by reducing discrete connections to the internet. This permits improved monitoring, in keeping with the ZT security model, which has become an increased focus in the aftermath of high-profile incidents like SolarWinds.

DHS is dedicating significant energy toward exceeding our cybersecurity hiring goal by recruiting talented experts, investing in diverse talent pipelines, and ensuring equitable access to professional development opportunities at every level. DHS has hired approximately 300 new cybersecurity professionals as part of a 60-day cyber workforce sprint launched in May 2021, and 500 more have tentative job offers.

OCIO in collaboration with the Office of the Chief Human Capital Officer (OCHCO) assisted in the development of a Cyber Talent Management System (CTMS). CTMS is a new mission-driven, person-focused, market-sensitive approach to hiring, compensating, and developing cybersecurity talent across DHS. CTMS has opened new options and strategies for staffing critical cybersecurity work, providing DHS Components with straightforward, agile operational processes with a focus on talent quality and maintaining cybersecurity mission readiness. With the launch of CTMS, DHS organizations, starting with CISA and OCIO, have begun using CTMS to hire, compensate, and develop DHS Cybersecurity Service employees. In addition, DHS has successfully implemented the Strategic Workforce Planning Initiative. This Initiative assessed the IT skills of HQ OCIO employees according to IT roles and identified training opportunities, gaps, and future needs.

DHS Cybersecurity Services Provider Program (CSP) has allowed DHS to assess the effectiveness and efficiency of Security Operation Centers (SOCs) and Network Operation Centers (NOCs) based on a standard framework of best practices. The establishment of DHS's CSP program has been a resounding success. Transition to this new model of cybersecurity service delivery has matured DHS's cybersecurity capabilities and promises to have a continued positive impact not only for DHS, but across the breadth of the Federal Government.

With a framework in place, the DHS CIO conducted a formal assessment of each DHS Component SOC in FY20, resulting in a subscriber-provider model that ensures all DHS endpoints get efficient and (more importantly) uniform protections against cyber adversaries. Since then, the DHS CIO, in Partnership with the Cyber Infrastructure Security Agency (CISA), has successfully conducted a formal assessment of the Department of Justice (DOJ) SOC, and has expanded assessments to include DHS Component NOC evaluations.



## CURRENT STATUS

### Network Operations Security Center (NOSC) Alignment:

DHS has consolidated the security and network operations functions under the NOSC. The DHS NOSC model helps DHS mitigate current cybersecurity challenges by providing simultaneous real-time operational and security situational awareness. This model also helps DHS to modernize, identify potential issues to prevent outages, and defend DHS assets from hostile threats. Lastly, it increases collaboration and integration in our network to:

- Remove visibility gaps;
- Increase tool automation;
- Integrate workflow and data feeds;
- Establish a follow the sun operational model to reduce seams in operational center visibility; and
- Provide redundancy.

### SecDevOps:

To fully adopt agile software development, DHS is focused on making SecDevOps a standard practice to reduce costs while increasing security and stability across DHS. The SecDevOps methodology aims to alter culture and practice to create a delivery workflow that meets the needs of security, development, and operations stakeholders with minimal overhead. The DHS SecDevOps initiative includes security-focused automation, a reliable release pipeline, automation of common tasks, and solutions to enable stronger collaboration across all stakeholders (security, development, and operations), with the goal of deploying working functionality to the end-user faster.

### The Federal Desktop Core Configuration:

DHS transitioned to the Defense Information Systems Agency (DISA) The Federal Desktop Core Configuration (FDCC) Secure Technical Implementation Guides for standardized configuration. FDCC was a standard for security-reliable Microsoft (MS) Windows operating system (Windows XP and Vista) running on desktop and laptop computers that were mandatory in 2008. The FDCC evolved into the U.S. Government Configuration Baseline (USGCB) which extended the original by including settings for Windows 7 and Red Hat Enterprise Linux 5 (RHEL 5). DHS moved to a more secure Operating System (OS) and configuration in 2018, when the Chief Information Officer (CIO) directed adoption of Windows 10 Secure Host Baseline. As neither the FDCC nor the USGCB were applicable to Win10, in 2019, the DHS Chief Information Security Officer (CISO) directed Components to follow the Defense Information Systems Agency (DISA).

## OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Achieve and sustain "significant deficiency" status or less for two consecutive years (i.e., FY 2024 and 2025).	November 2021	November 2025	<b>Targeting a Fully Addressed rating.</b>  The independent auditor will issue its report for FY 2025 in November 2025.  Adjusted date because IT deficiencies are taking longer to fix than originally anticipated.



## OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Complete actions to address five (5) recommendations contained in the OIG FY 2019 FISMA report (OIG-20-77).	Q1 FY 2022	September 2021	Completed.  Recommendations 1, 3, and 5 are open and resolved, recommendation 2 is unresolved and open, and recommendation 4 is resolved and closed.
Completed actions to address three (3) recommendations contained in the OIG FY 2018 FISMA report (OIG-19-60).	Q4 FY 2019	September 2019	Completed.  All recommendations were closed in September 2019.
Completed actions to address five recommendations contained in the OIG FY 2017 FISMA report (OIG-18-56).	Q4 FY 2018	September 2019	Completed.  All recommendations were closed in September 2019.
Completed actions to address four open recommendations contained in the OIG FY 2016 FISMA report (OIG-17-24).	Q4 FY 2017	May 2019	Completed.  All recommendations were closed in May 2019.
Completed actions to address six open recommendations contained in the OIG's FY 2015 FISMA report (OIG-16-08).	Q4 FY 2016	May 2018	Completed.  All recommendations were closed in May 2018.
Completed actions to address six open recommendations contained in the OIG's FY 2014 FISMA report (OIG-15-16).	Q4 FY 2015	March 2018	Completed.  All recommendations were closed on March 22, 2018.
Oversee and assist Components in addressing deficiencies that contributed to the Department's material weakness in the IT security control and financial system functionality area to achieve a reduction to a significant deficiency by the independent auditors.	October 2015	Ongoing	<b>Sustain a Mostly Addressed rating.</b>  Existing, significant IT security control deficiencies must be remediated with no new significant deficiencies identified.
Continued to oversee and assist Components in addressing IT deficiencies.	September 2015	Ongoing	Meet with Components monthly to review progress and provide guidance as needed.



### Acquisition Program Management Outcome #3

**Outcome Lead:** Steven Truhlar, Chief of Staff, Joint Requirements Council

**Outcome Executives:**

Joseph Wawro, Director, Joint Requirements Council

Debra Cox, Executive Director, Program Accountability and Risk Management

R.D. Alles, Deputy Under Secretary for Management

**GAO Outcome:** Joint Requirements Council – Establish and effectively operate the required Joint Requirements Council (JRC) to review and validate Component-driven capability requirements that drive non-materiel and acquisition programs Department wide and identify and eliminate any unintended redundancies. The JRC would help DHS inform its annual budget process for funding major programs and reduce the occurrence of major programs receiving funding without validation of requirements.

**DHS Successes:** The Joint Requirements Council (JRC) continued to advance the requirements process and its integration throughout the enterprise. Cross-component portfolio teams were stood up and derived strategic recommendations from rigorous and holistic analysis in the areas of Cybersecurity, Digital Forensics/Document and Media Exploitation, and Biometrics. The Capability Gap Register grew to over 420 gaps and its analysis identified areas of commonality across the Department and informed the Program and Budget Review Process and its issue teams. The JRC is supporting the Secretary's strategic infrastructure priorities through analysis and participation and leadership of the transformational teams. The JRC is also working closely with S&T's R&D Coordination effort to ensure collaboration and alignment between R&D and requirements efforts.

**GAO 2021 Outcome Rating:**

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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#### CURRENT STATUS

The Component-composed JRC is the executive body that governs the Department's operational requirements process by generating, validating, and prioritizing capability gaps, needs, concepts of operation, and requirements. JRC validation is a critical step prior to the Department investing in a capability.

In a 2016 review, GAO found the JRC's approach to be generally sound.<sup>1</sup> To achieve a Fully Addressed rating, it is the Department's understanding that the JRC must sustain effective operations evidenced in part by the JRC's continued impact on investment decisions. The JRC is effective in helping to identify common gap areas across the DHS enterprise and make joint requirements and commonality recommendations. Today, the JRC operates as designed and is fully integrated with the Department's research and development, acquisition, and resource allocation processes.

DHS has achieved the desired end-state – to effectively establish and operate the JRC.

The JRC continues to operate effectively, benefiting DHS by:

<sup>1</sup> GAO, *Joint Requirements Council's Initial Approach Is Generally Sound, and It Is Developing a Process to Inform Investment Priorities*, GAO-17-171 (Washington, D.C.: October 24, 2016).



#### CURRENT STATUS

- Analyzing national interest-level requirements, harnessing operator expertise from across DHS and enabling end users to obtain enterprise capabilities to perform the mission;
- Providing comprehensive analytical assessment of operational needs and gaps across Components and the DHS enterprise, thereby improving field operational effectiveness and efficiency and ensuring traceability between DHS and Component strategic priorities and operational capability;
- Driving collaboration and integration across DHS resulting in an unprecedented growth in cross-Component cooperation in areas including Countering Unmanned Aircraft Systems, Next Generation Vertical Lift, Combating Transnational Criminal Organizations, and Digital Forensics / Document and Media Exploitation (DF/DOMEX);
- Informing enterprise investment processes, such as the Program and Budget Review (PBR) with its PBR Issue Teams, Resource Allocation Plans (RAP) and Decisions (RAD); Resource Planning Priorities (RPP); and Acquisition Review Boards (ARBs) regarding capability gaps, needs, concepts of operation, and operational requirements;
- Working throughout the Department on the development of requirements policy and training; and
- Solidifying leadership support through regular JRC updates and in-person and virtual meetings with Deputy Secretary, DHS Chief of Staff, and Deputy Under Secretary for Management.

Established in 2014, the JRC has made sufficient and sustained progress to meet a Fully Addressed rating. Accomplishments include:

#### **Analyzing and Operationalizing Requirements:**

- Analyzed and validated over 451 requirements documents (as of Feb 2022).
  - JRC, through the Immigration Data Integration Initiative Executive Steering Committee (ESC), ensured Unified Immigration Portal requirements were integrated into the Immigration Data Integration Capability Analysis Report (CAR) which entered the Joint Requirements Integration and Management System (JRIMS) process and was validated and endorsed in November 2020.
  - JRC validated two CARs that identified common capability gaps in DF/DOMEX across multiple DHS organizations needed to combat Transnational Organized Crime and violent extremists. JRC is supporting Intelligence & Analysis, U.S. Immigration and Customs Enforcement (ICE), U.S. Coast Guard (USCG) and U.S. Customs and Border Protection (CBP) in the development of a Joint Non-materiel Change Recommendation (J-NMCR) and a Joint Mission Need Statement (J-MNS) to develop solution approaches to the capability gaps identified. These documents were foundational to the cross-component portfolio team charter to explore DF/DOMEX commonalities. Portfolio Team's recommendations were approved by the Council February 2022.
  - JRC is drove the development of the Counter-Unmanned Aircraft Systems (C-UAS) J-MNS and J-NMCR. Both documents were validated and endorsed by the JRC in August 2021, representing broad commitment to coordination and integration across the Department. The C-UAS requirements development endeavor includes USCG, CBP, Transportation Security Administration (TSA), and Federal Protective Service as signators, as well as



## CURRENT STATUS

participation from U.S. Secret Service, ICE, Management Directorate and Science & Technology Directorate.

### Identifying Capability Gaps:

- Identified over 420 capability gaps (20 added in FY22Q4), along with mission needs and operational requirements to inform capability development and Research and Development (R&D) investments (as of January 2022).
- Established the DHS Capability Gap Register (CGR) to provide a dataset of validated capability gaps to enable commonality analysis, mapping of gaps to the DHS Strategic Plan and informing R&D investments. CGR analysis and gap prioritization will inform FY22's PBR process.

### Driving Collaboration and Integration:

- Currently concluding three chartered DHS Cross-Component Portfolio Teams assessing Cybersecurity, DF/DOMEX, and Biometrics, and creating proposals for Council decision in April 2022 on new Portfolio Teams to be chartered (up to 4).
- Established JRC Director membership on the DHS C-UAS ESC to ensure governance decision-making informed by joint capability needs.
- Chartered a working group to build enterprise-wide C-UAS requirements. The work group became a sub-group of the Secretary's C-UAS ESC and developed a Capability Analysis Report (CAR), J-MNS, and J-NMCR to capture enterprise C-UAS capability gaps and needs to guide requirements development at specific covered facilities and assets. The J-MNS and J-NMCR were validated and endorsed in August 2021.
- Produced an Annex for the Secretary's Counter Unmanned Aircraft Systems Policy Guidance. The Annex outlines the Department's process for identifying, prioritizing, and approving which covered facilities and assets will receive CUAS capabilities. JRC facilitated a Department-wide data call of covered assets, facilities, and events for prioritization through the analytic framework outlined in the annex.
- Recognized commonality in biometrics requirements across the Department leading to the formation of a Biometrics ESC to ensure the Department's efforts are coordinated and the enterprise solution for biometrics can meet Component operational requirements.
- Strengthened Biometric entry-exit analysis and requirements development through early collaboration between TSA, CBP, and the Office of Biometric Identity Management to identify common capability gaps and needs for biometric activities. Biometrics collaboration shaped requirements allowing for a broader range of solutions and enhanced the possibility of further integration with DHS systems.
- JRC established a Memorandum of Agreement with the Biometrics Capabilities ESC to establish coordination and two-way information flow to identify gaps and potential biometric requirements for integration of DHS biometrics capabilities.
- Informed USCG and CBP efforts to arrive at a common integrated user interface solution for Maritime Aircraft Mission Systems, known as Minotaur Mission Management System, through the JRC-led Joint Operational Requirements Document (ORD). This ORD was updated to





#### CURRENT STATUS

reflect continued program evolution and completed JRIMS with validation and endorsement in August 2020.

- Formed a working group and securing funding for a study to build common USCG/CBP medium vertical lift (i.e., H-60) requirements called Next Generation Vertical Lift (NGVL).
  - CBP is a member of DoD's Future Vertical Lift leadership forum along with USCG. This effort takes the long-term view to jointness (platform replacements anticipated in mid-2030s) and sets the stage for maximizing collaboration between USCG/CBP.
- Led a robust requirements development approach for DHS-wide interconnectivity and open IT architecture for ICE Immigration Data Modernization. The ICE Investigative Data Analytics Mission Need Statement (MNS) leveraged a DHS joint analytics CAR, was validated and endorsed in 2021, and the follow-on operational requirements documents are on-track for validation May 2022.

#### Providing Input to the Budget Process:

- Implemented requirements guidance into Fiscal Year (FY) 2023–2027 Resource Allocation Plan processes by providing a requirements perspective to inform the Program and Analysis & Evaluation-led DHS Strategic Review, Component Resource Allocation Plan briefs, and PBR Issue Teams. The Strategic Review is a process that examines Components' RAP submissions and informs the Resource Allocation Decision. Continuing in FY22 to inform the budget process including component 3-to-5 year requirements plans to improve awareness of gaps without solution approaches, further improving resourcing decisions.
- Continue to inform DHS enterprise processes as a key stakeholder in PBR, R&D, and ARBs.

#### Developing and Providing Training:

- Trained over 2,952 users in four operational requirements courses: Overview; Core Concepts; Developing and Managing DHS Requirements; and Knowledge Management/Decision Support (KMDS) (as of January 2022).
- Transformed JRC developed/led classroom courses into virtual instruction to ensure uninterrupted requirements development and management training throughout the Department during the COVID-19 pandemic. JRC has delivered 13 virtual instructor led courses and anticipates delivering five more during the remainder of FY22.
- Established the DHS Requirements Management (RM) Specialization within the Technology Manager Acquisition Certification in May 2019. This specialization is designed to improve and standardize requirements management knowledge, skills, and abilities across the Department. Thirty-three (33) requirements personnel have attained this certification/specialization (as of December 2021).
- Developed an extensive course, *Developing and Managing DHS Requirements*, as part of the RM curriculum. The course provides a comprehensive understanding of how to define, analyze, and manage requirements within DHS starting from capability analysis through solution. Through this course, acquisition professionals receive in-depth insight into the DHS requirements process and its relationship to overall acquisition management. First piloted through the Homeland Security Acquisition Institute in February 2019, ten offerings have been held thus far (as of March 2022) with two more to be held in the remainder of FY 2022.



#### CURRENT STATUS

##### Developing the Acquisition Workforce and Building Requirements Analytic Capability:

- Completed a requirements workforce assessment framework to provide recommended structures for DHS Component requirements organizations;
- Working with ICE to establish their requirements organization;
- Worked closely with the Cybersecurity and Infrastructure Security Agency and Countering Weapons of Mass Destruction Office on requirements development and the maturation of their requirements workforce. A cross-component Portfolio Team was charted to identify commonalities across cybersecurity information sharing and analysis capabilities; team's recommendations in clearance with CISA and anticipated for Council approval in April 2022;
- Continue to partner with the TSA, CBP, and the USCG's requirements organizations through regular outreach, meetings, and constant coordination of requirements development, resulting in sharing of best practices and processes; and
- Assisting Components and HQ offices (e.g., Civil Rights/Civil Liberties) in requirements generation, conducting requirements workforce assessments and establishing internal requirements policies, independent requirements offices, and training.

#### OUTCOME ACTION PLAN

Actions	Projected Date	Actual/ Adjusted Date(s)	Reason for Change/Notes
Sustain effective operation of the JRC by fully implementing a process where operational requirements are integrated into processes for prioritizing investments.	September 2018	June 2022	<b>Targeting a Fully Addressed rating.</b> The adjusted date is to allow GAO time to conduct any necessary follow up to substantiate a Fully Addressed rating. DHS has fully integrated JRC participation into PBR (to include RAP/RAD and Strategic Review), ARB, and RPP development processes. The JRC actively informs DHS leadership prioritized investment decisions through integration with these processes.
Conduct training – JRIMS Overview, Core Concepts, Developing and Managing DHS Requirements and KM/DS.	Fully Addressed/ Ongoing	Fully Addressed/ Ongoing	Completed. As of July 2021, trained 2,388 users in operational requirements JRIMS Overview, Core Concepts, Developing and Managing DHS Requirements, and KMDS.
Validate Mission Need Statement and Operational Requirements Document for all Level 1 and 2 Master Acquisition Oversight List programs and submit recommendations to the DMAG.	Fully Addressed/ Ongoing	Fully Addressed/ Ongoing	Completed. All operational requirements are validated before acquisition decision events. As of July 2021, JRC analyzed and validated more than 425 requirements documents.





OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/ Adjusted Date(s)	Reason for Change/Notes
Fully implemented a process to ensure operational requirements are the foundation for R&D.	September 2018	July 2018	Completed. The DHS CGR provides senior leadership with a comprehensive view across DHS capabilities gaps and a dataset of validated requirements to inform R&D investments. Additionally, analysis and prioritization of CGR Gaps informed FY22-26 budget decisions and are informing the FY23-27 budget process
Fully implemented the KM/DS Tool.	September 2016	June 2017	Completed.
Incorporated decisions from the JRC process to inform the FY 2018 RAD.	September 2016	May 2017	Completed. The FY 2018 RAD links capability investments to operational requirements. Therefore, the JRC is impacting resource decisions.
Achieved full operating capability.	June 2016	September 2016	<b>Achieved Mostly Addressed Rating</b> The JRC has achieved full operating capability and is executing the JRIMS process. GAO advanced the rating for this outcome to Mostly Addressed in the 2017 <i>High-Risk Series</i> .
Delivered the KM/DS Tool.	May 2016	September 2016	Completed.
Approved JRIMS directives and instruction manual.	January 2016	March and April 2016	Completed. The JRC/JRIMS directive was signed on March 9, 2016 and the manual on April 21, 2016. The first JRIMS manual update has been completed and will be implemented FY 2019.
Incorporated decisions from the JRC process to inform the FY 2017 RAD.	September 2015	September 2015	Completed. The JRC informed the FY 2017 RAD.
Achieved initial operating capability.	July–August 2015	August 2015	Completed. The JRC has achieved initial operating capability, which is evidenced by the JRIMS process execution.
Approved JRC charter.	November 2014	November 2014	Completed. The charter was approved and signed by the DHS Deputy Secretary on November 16, 2014.



## Acquisition Program Management Outcome #4

**Outcome Lead:** John Ward

**Outcome Executive:** Debra Cox

**GAO Outcome:** Trained Acquisition Personnel – Assess and address that sufficient numbers of trained acquisition personnel are in place at the Department and Component levels. Lack of adequate staff, both in terms of skills and staffing levels, increases the risk of insufficient program planning and contractor oversight, and has been associated with negative cost and schedule outcomes in major acquisition programs. These findings emphasize the importance of sufficient and experienced staff for successful acquisition outcomes.

**DHS Successes:** DHS annual staffing plan and analysis is an example of a successful, repeatable process for reviewing plans, identifying gaps, and addressing staffing risks. As a result, DHS Major programs continue to better identify their acquisition staffing needs and staffing gaps, enabling prioritization of addressing the challenges. The number of acquisition certifications throughout DHS is increasing. PARM's Acquisition Workforce Staffing Division hired a Career Acquisition Certification Manager to work closely with the Homeland Security Acquisition Institute to be a liaison between the Acquisition Program Community and improve course offerings and certification compliance rates.

### GAO 2021 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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#### CURRENT STATUS

The Department continues to make progress toward a Fully Addressed rating, as evidenced by the following actions:

##### Staffing Gap Analysis and Tracking:

- The Annual Staffing Plan input by the Components and the analysis done by the Acquisition Workforce Staffing Division (AWSD) provides a repeatable process for the Component, CAE, and PARM to review and address staffing risks. This analysis has been conducted since 2011.
- In January 2022, the Office of Program Accountability and Risk Management (PARM) delivered the “Department of Homeland Security Acquisition Program Staffing Analysis – Annual Report FY 2021” to the Deputy Under Secretary for Management (DUSM) and provided recommendations to programs on efforts to mitigate critical staffing gaps. The FY21 accomplishments included the following:
  - Improved staffing definitions by clarifying acronyms and DHS Lexicon Staffing terminologies throughout the DHS Acquisition Community, which was published on March 15, 2021;
  - AWSD created a Predictive Staffing Model prototype. The prototype is available to current PARM Fed Staff with an active Mobius account.
  - Hired a full-time GS-15 Program Manager who is Level 3 and IT core-plus certified to serve as the liaison between PARM and HSAI; this individual serves as the Career Acquisition Certification Manager (CACM) providing guidance and direction to



## CURRENT STATUS

Components on achieving the required certification for acquisition professionals to improve acquisition programs' staff certification compliance rate.

- In FY22, PARM will coordinate with the HR Academy to leverage the DHS Career Mapping System (CMS) to assist acquisition professionals in achieving career goals. PARM will also continue to evolve the staffing model by adding a time element to the output-based model, refine the definition of what constitutes major tasks, and incorporate additional detail. Additionally, PARM will assist programs filling critical staffing vacancies by promoting and communicating available hiring authorities.
- The report cited significant progress in implementing processes to mitigate/address staffing shortages and in developing acquisition professionals. Approximately 82% (28 of 34) of the programs showed an FTE fill rate greater than 80%. PARM, in coordination with Components, will continue to identify and develop methods to improve DHS's ability to reduce programs' staffing risks.
- As part of the continuous reviewing of staffing levels at all Acquisition Review Boards, if the Acquisition Decision Authority determines there is a need, an independent staffing assessment will be required as an Acquisition Decision Memorandum action item.

### Staffing Plan Development and Implementation:

- On June 26, 2020, PARM established cross-Component DHS Acquisition Staffing Integrated Project Teams (IPT) bringing together approximately 150 DHS staffing and workforce stakeholders. During the October 2020 IPT meeting, the DHS Acquisition Workforce Staffing Lexicon status was presented. The DHS Lexicon was updated with the definitions and indicate each term in use by Acquisition Workforce Staffing Division. The final DHS Lexicon extended definitions, annotation, and usage sample field were updated in March 2021. DHS Lexicon Staffing terminology was published March 15, 2022.
- The Chief Procurement Officer (CPO) published a one-year addendum to extend the DHS FY 2018–2020 Acquisition Workforce Strategic Human Capital Plan (AW Strategy) through FY 2021 to align with the CPO Strategy that is effective through 2021. The Strategy continues the focus on integrating human capital planning and workforce development into acquisition program management. The AW Strategy represents a collaborative effort across the DHS acquisition community that identifies the goals and objectives that will guide the Department's acquisition workforce efforts. Development of an FY 2022-2026 plan is in progress.

### Training and Certification:

- As of September 2021, DHS's program manager certification compliance across all Level 1 and 2 programs was 94%. As of February 2022, the certification compliance is unchanged at 94%.
- PARM continues to participate in each DHS Acquisition Program Management 350B Capstone program management certification course by providing instruction on the Department's acquisition processes and oversight responsibilities. PARM ensures representatives are available at key points throughout the course to ensure students have access to acquisition experts. The program has been moved to a virtual environment to ensure participation remains consistent under current restraints caused by COVID-19 pandemic.



#### CURRENT STATUS

- DHS awards approximately 2,700 certifications annually across ten acquisition disciplines with over 46,750 awarded through FY2022 since the certification program began in 2006. In FY 2021, 1,982 certification requests were approved. As of March 1, 2022, 750 additional certifications have been approved. There are currently 17,127 acquisition certifications held within DHS, as of September 2021 (numbers will be updated before submission to GAO in March 2022.)
- Completed a major revision/update to Fundamentals of Test and Evaluation 100 (FTE 100) Course for delivery in late September 2021. FTE 100 is designed to provide an understanding of fundamental principles and policies of Test and Evaluation (T&E). The course describes the relationship of T&E processes within the Acquisition Life Cycle framework and outlines the critical role that T&E provides in reducing risk and providing timely and accurate information during system acquisition. The updated course material was delivered in September 2021.
- Began revision of AQN 101, DHS Fundamentals of System Acquisition Course to better support the learning objectives of the acquisition workforce. This course is an early requirement for most DHS certifications. In addition to updating the content for currency, the course is being restructured to increase learning material in several areas including cybersecurity, requirements development, risk management and test and evaluation. The revised course is scheduled to be completed and delivered in late Spring 2022.
- The FY22 Education, Development, Growth and Excellence Mentoring Program kicked off in November 2021 with 115 participants. The program continues to grow and make enhancements to promote and provide a robust and diverse learning and mentoring experience. The FY22 monthly EDGE Speaker Series topics are designed to align with a single theme that facilitates a comprehensive and systematic learning experience. Additionally, the program provides a wide range of learning experiences to augment learning that includes, developmental activities, networking opportunities, and stretch goal assignments.
- Other improvements included, modifying training for returning mentors, expanding the program orientation to include a virtual speed mentoring event and hosting various roundtable events to facilitate connection and networking. Results from a recent Mid-Point evaluation shows that 92% of the proteges were able to identify new interpersonal and/or technical skills that can be applied to the job and found that the program was effective with helping to facilitate professional growth and development. Expanded critical digital IT acquisition-related skills across DHS through implementation of the Federal Digital IT Acquisition Professional (DITAP) Program, a comprehensive training and development program that culminates in the award of the Office of Federal Procurement Policy's (OFPP) Core-Plus Certification in Contracting for Digital Services, (FAC-C-DS). There are currently 75 DITAP graduates at DHS with 20 more graduating in May 2022.
- Additionally, created a DITAP Alumni Group and Community of Practice to serve all DHS Offices and Components. The DHS Alumni Group and Community of Practice is the first digital service community of practice in the Federal government. Further, in partnership with US Digital Services (USDS), the Office of Acquisition Workforce launched a series of DITAP "Learning Café," and "Coffee Chat" events designed to connect and develop DHS acquisition professionals in the digital service community. The DITAP Learning Café events are designed to supplement the development of the digital services community after completion of their FAC-C-DS Certification. All have been well attended each serving



#### CURRENT STATUS

approximately 100 attendees. The “Coffee Chats” events, open only to DHS DITAP alumni, brings together speakers from industry and across the Federal Government to discuss relevant topics/issues. These “coffee chats” complement the DITAP Learning Events and are intended to further connect and develop the digital service community.

- The Office of Acquisition Workforce conducted six “Learning Café” and “Coffee Chat” events in FY 2021.

#### OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Demonstrate that repeatable processes are identifying staffing gaps and issues; staffing analyses identify root causes and common issues across the Department; actions to address gaps and issues are identified and communicated; and staffing gaps and issues are being addressed.	December 2020	September 2022	<b>Targeting a Fully Addressed rating.</b> This sustained effort will demonstrate that the repeatable processes are helping the Department to address staffing issues and gaps.
Update the DHS Staffing Lexicon.	September 30, 2021	March 12, 2021	Completed. Improve Data Management, Definition Engagement with Components
Conduct higher-level, Component- and Department-wide staffing analysis.	Ongoing (in conjunction with annual staffing analysis cycle)	Ongoing (in conjunction with annual staffing analysis cycle)	This is a new analytical effort that will bring greater visibility to near- and long-term staffing issues, with the intent of enabling DHS to better mitigate projected staffing shortfalls.
Assess annual program staffing plan updates and quarterly critical staffing gap reports.	Ongoing	Ongoing	Through regular, standardized processes, PARM will continue to monitor critical staffing gaps, identify staffing issues, and provide assistance to programs in addressing staffing issues and gaps.
Implement standardized processes to assess staffing plans, monitor critical staffing gaps and issues, and provide assistance to programs in addressing staffing issues and gaps.	April 2018	March 2018	Completed. This action implements a repeatable process to assess and assist in addressing staffing issues and critical staffing gaps.
Implement staffing Instruction to obtain program staffing plans and track changes in critical staffing gaps in DHS major acquisition programs to ensure critical staffing gaps are identified and are being addressed.	August 2017	October 2017	Completed. DHS Instruction 102-01-006, Acquisition Program Management Staffing, was promulgated on December 2, 2016 and new requirements piloted in 2017.



OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Analyzed staffing gaps and mitigation strategies identified in the FY 2015 staffing plans and assessed effectiveness of mitigation strategies and progress in filling staffing gaps.	August 2016	December 2016	Completed.
Reviewed Component staffing plans and assessed completeness and accuracy.	January 2016–February 2016	May 2016	Completed. In October 2015, PARM requested FY 2015 staffing plans with a January 2016 deadline. PARM received and reviewed all staffing plans.
Analyzed staffing gaps and mitigation strategies identified in the staffing plans, which addressed insufficient numbers of trained acquisition personnel.	April 2015	July 2015	Completed. Staffing plans and workforce planning data were submitted and analyzed for all Components, except one. PARM delivered the reports to leadership summarizing identified deficiencies and gaps.
Reviewed Component staffing plans and assessed completeness and accuracy.	May 2014–February 2015	February 2015	<b>Achieved a Mostly Addressed rating.</b> PARM reviewed all plans. Some staffing plan waivers were approved due to specific program characteristics.



## Acquisition Program Management Outcome #5

**Outcome Lead:** Kenneth Marien

**Outcome Executive:** Debra Cox

**GAO Outcome:** Acquisition Process Compliance – Establish and demonstrate measurable progress in achieving goals that improve program compliance with the Department’s established processes and policies. This includes specific metrics for tracking conformance with the Department’s established methodologies as well as metrics for cost, schedule, and performance measured against DHS-approved baselines. For major acquisitions, demonstrate that actual cost and schedule performance for major acquisitions is within established threshold baselines, and that baselined system capabilities/requirements and associated mission benefits have been achieved. Program cost, schedule, and performance, as well as changes in these factors over time, can provide useful indicators of the health of acquisition programs. When assessed regularly for changes and the reasons for the changes, such indicators can be valuable tools for improving insight and oversight of individual programs and total portfolios of major acquisitions.

**DHS Successes:** In 2021, the Office of Program Accountability and Risk Management (PARM) oversaw 40 major acquisition programs to ensure that programs complied with the Department’s acquisition policy and were on track to deliver capability within defined Acquisition program Baselines. By facilitating, preparing, conducting, and documenting 21 formal Acquisition Review Board meetings, PARM strengthened the Department by helping programs deliver critical resources into the hands of operators in the field and on the frontlines of our DHS mission.

### **GAO 2021 Outcome Rating**

Initiated	Partially Addressed	<b>Mostly Addressed</b>	Fully Addressed
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#### **CURRENT STATUS**

The Department believes that all acquisition programs within the portfolio are in compliance with established processes and policies and that adequate management and oversight is in place to continually monitor program cost, schedule, and performance against DHS-approved baselines.

The Department, through PARM, effectively manages acquisition program policy, governance, and oversight, as evidenced by the following:

#### **Closely Monitoring Programs in Breach**

- As of February 2021, there are two programs in breach of their approved Acquisition Program Baseline (APB), representing a 66% reduction in the number of breach programs over the last year (four programs removed from breach status). In accordance with DHS acquisition policy, the remaining two breach programs are aggressively executing DHS-approved remediation plans in an effort to rebaseline and remove the programs from breach status by April 2022. A detailed status of each breach program is provided to the DHS Chief Acquisition Officer and Acquisition Review Board (ARB) on a monthly basis to assess progress on remediation efforts and provide assistance, as appropriate.
- It should be noted that the existence of program breaches alone is not necessarily an indicator of portfolio health. While the Department’s goal is to eliminate breaches and their potential impacts to cost and schedule, unforeseen events or external factors occasionally materialize that affect program performance. Examples of external factors that have resulted in program





## CURRENT STATUS

breaches include: COVID-19 related impacts to supply chains and program testing activities, hurricanes that have impacted USCG ship construction along the Gulf Coast, and delays in acquiring land to deploy CBP capabilities along the southern border.

### Requiring Program Documentation

- DHS ensures that programs obtain approval for all *Directive 102-01-001, Acquisition Management* required documentation for Acquisition Decision Events (ADEs). If a required document is not submitted and approved, either ARB meetings are postponed, or rationale for the deferral is provided in the associated Acquisition Decision Memoranda (ADM). This approach is consistent with *Directive 102-01-001 (Revision 01.3), Acquisition Management*, Section V.F.2, which addresses tailoring of the acquisition lifecycle framework.
- *Directive 102-01-001, Acquisition Management* requires major programs to have a certification of acquisition funds memorandum signed by the Component Senior Financial Officials at ADE-2A. PARM tracks funding certifications for DHS major programs jointly with the Office of the Chief Financial Officer. This process ensures that cost baselines and associated spend plans established at each ADE are fully resourced and executable.
- Since FY 2017, the Office of the Chief Financial Officer Cost Analysis Division (CAD) has required annual updates to Life Cycle Cost Estimates to provide comparative data on planned and executed funds. Additionally, CAD has established an independent cost assessment (ICA) capability that has contributed to the improvement in program cost estimates Department-wide. These processes allow the Department to continually track program performance to ensure conformance with established cost thresholds.

### Continuously Monitoring Program Health

- PARM continues to conduct quarterly portfolio assessments using the improved Acquisition Program Health Assessment (APHA) tool and report, which provide an accurate picture of program performance.
  - The APHA is conducted quarterly to allow for changes to be monitored over time and risks to be identified and mitigated before they lead to breaches.
  - PARM continues to identify and implement process improvements to APHA, which enhance data quality, simplify, and integrate audit trail actions, and increase visibility of the assessments tracked and provided by raters. As a result, the cycle time to generate the final APHA report is reduced.
- PARM continues to assess the existing APHA 2.0 to identify opportunities to evolve its health assessment approach. PARM is currently working with a federally-funded research and development center (MITRE) to identify additional improvements for implementation, if appropriate.

### Enhancing Program Data Quality and Availability

- PARM initiated a data innovation and analytics effort to enhance and improve on the structuring, standardization, value, insights, and use of PARM's authoritative source data across its applications and tools used to provide information on acquisition programs on the DHS Master Acquisition Oversight List (MAOL). The new platform is the Acquisition Data Analytics Platform Tool (ADAPT). The goal of ADAPT to provide PARM with an authoritative,





## CURRENT STATUS

centralized data analytics platform and services hub that can further insights and improvements towards increasing data quality, responsiveness, and more evidenced-based, data-driven decisional analytics and reporting. Requirements and solution discovery began in March 2020 with active development work still underway towards operationalizing a minimum viable product, which is expected to be implemented by the end of fiscal year (FY) 2022. Progress to date includes the deployment of an initial prototype to DHS's Cloud Factory 2 Environment and completion of a first round of user acceptance testing to inform minimum viable product delivery.

- PARM continues to optimize the exchange of data with Unified View of Investments (UVI), which provides a unified, common operational “one-pager” to support and guide decisions and actions on major acquisitions. The one-pager’s integrated view optimizes the cross-connected line of sight on the management records, audit, programmatic, staffing, contract, cost, budget planning, and financial execution data critical to leadership decision making.

### Ensuring Strong Governance and Oversight

- PARM continues to provide monthly High Visibility Program Briefings to ensure that senior leaders, including the DHS Chief Acquisition Officer and ARB members have a common understanding of acquisition programs’ status and key issues.
  - High Visibility Program Briefing slides are formatted to include: 1) schedule of upcoming ARBs, 2) upcoming portfolio APB schedule milestones, 3) all programs in a breach status, 4) programs that require DHS Chief Acquisition Officer attention (reported from various sources, including APHA), 5) status of ADM action items for the entire portfolio, and 5) other information related to the health of the DHS portfolio. High Visibility Program Briefing slides are released to the entire ARB for comment prior to delivery to the Chief Acquisition Officer.
- Since late FY 2020, PARM has conducted individual monthly meetings with each Component Acquisition Executive (CAE) to enhance collaboration and better focus on issues affecting individual Component portfolios. These meetings are attended by the PARM Executive Director, each CAE, and various staff members and are guided by a standard agenda that addresses readiness for upcoming ARBs, outstanding ADM action items, and other emerging issues impacting portfolio performance.
- PARM continues to participate in annual CAE oversight reviews and individual program reviews for all Level 3 programs on the MAOL. PARM began participating in portfolio reviews conducted by Component CAEs in FY 2017. PARM’s participation in such reviews fulfills annual CAE oversight and Level 3 program review requirements stipulated by DHS *Directive 102-01-010, Level 3 Acquisition Management*. PARM completed all FY 2021 CAE oversight and Level 3 program reviews on time and is currently conducting the FY 2022 CAE oversight and Level 3 review cycle. These reviews will assess the oversight policies, processes and staffing of all 13 designated DHS CAE offices as well as the status of all 28 Level 3 MAOL programs.

## OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Demonstrate that DHS acquisition policies and processes are	December 2021	December 2022	Targeting a Fully Addressed rating.



OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
contributing to improved acquisition program performance.			This action includes monitoring and tracking programs using the APHA report.
Demonstrated that all major programs are in compliance with policy documentation requirements.	December 2015	December 2015	Completed. All outstanding program documentation was completed as of December 2015.  This is an ongoing action to ensure that programs approved for an ADE have program documents.
Began tracking program office health metrics.	August 2015	August 2015	Completed. This action included metrics to demonstrate compliance related to staffing.
Began tracking Department-level metrics.	August 2015	August 2015	Completed. This action included metrics to demonstrate Component Acquisition Executives' compliance with the Department's processes and policies.
Established program health metrics.	June 2015	June 2015	Completed. PARM also developed staffing metrics.
Established Department-level metrics to demonstrate compliance with processes and policies.	June 2015	June 2015	Completed.
Began tracking program metrics (i.e., cost, schedule, and performance).	May 2015	May 2015	Completed. This action included metrics related to the APB.
Reviewed and updated Directive 102-01-001, "Acquisition Management Instruction" to ensure that language is updated to include the Joint Requirements Council (JRC).	April 2015	April 2015	Completed. PARM incorporated elements from the Unity of Effort initiative, such as the JRC. This Instruction was updated to include touch points to the JRC.
Reviewed and updated Directive 102-01 to ensure language is updated to include the JRC.	March 2015	March 2015	Completed. This action was taken to incorporate new entities and processes being developed under the Unity of Effort initiative, such as the JRC.
Established cost, schedule, and performance metrics.	October 2014	February 2015	Completed. Established process to produce a quarterly Acquisition Metrics report.



## Management Integration Outcome #1

**Outcome Lead:** Linda Hahn

**Outcome Executive:** Janene Corrado

**GAO Outcome:** Management Integration Implementation – Implement the actions and outcomes specified within each management area (acquisition, information technology, financial, and human capital management) to develop consistent or consolidated processes and systems within and across its management functional areas.

**DHS Successes:** Management functions provide support across the Department every day that enables successful DHS-wide mission performance. In January 2022, DHS leadership moved from half-yearly to quarterly meetings with GAO to provide regular updates on the Department’s work to address High Risk Areas. During the January meeting, DHS emphasized its continued commitment to working productively, transparently, and collectively to improve DHS, as demonstrated with the inclusion of the GAO High-Risk List as one of the top priorities listed in the Secretary’s Infrastructure Transformation (SIT) initiative. The SIT provides integrated Department-wide focus toward continued, substantial progress so that the only items remaining to be done are by their nature truly high-risk items.

### **GAO 2021 Outcome Rating**

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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#### **CURRENT STATUS**

The Department will advance the rating for this outcome by continuing to demonstrate sustainable progress integrating management functions within and across the Department, as well as continuing efforts to address the remaining outcomes that have yet to achieve a Fully Addressed rating.

- As of the March 2021 GAO High-Risk Series Report, GAO rated 73% (22 of 30) of outcomes as either Fully Addressed or Mostly Addressed,<sup>1</sup> including all outcomes in acquisition and human capital. The Department’s standing in 2021 marks a significant improvement compared to 47% (14 of 30) in 2015 and in 26% (8 of 31) in 2013.<sup>2</sup> Furthermore, since 2017 DHS has advanced five GAO outcomes to Fully Addressed.
- In September 2021, GAO notified DHS that outcome HCM #6 (Increase Employee Engagement) was being advanced from Mostly Addressed to Fully Addressed due to sustained year-over-year improvements to the Department’s scores on the Employee Engagement Index of the Federal Employee Viewpoint Survey.
- As of September 2021, *Strengthening Department of Homeland Security Management Functions* is one of only two remaining High-Risk areas to have met the majority of GAO’s criteria for removal from the High-Risk List.<sup>3</sup>

<sup>1</sup> GAO, High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas, GAO-21-119SP (Washington, D.C.: March 3, 2021).

<sup>2</sup> GAO reduced the total number of outcomes from 31 to 30 in March 2014, between the 2013 and 2015 *High-Risk Series* reports.

<sup>3</sup> GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, GAO-21-119SP (Washington, D.C.: March 3, 2021), page 19. In 2021, DOD Support Infrastructure Management met all five criteria and was removed from the list. In addition, segments of three other areas improved sufficiently that GAO removed these segments from the list.



OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Engage GAO on the status of this Outcome upon transmission of the March 2021 <i>Integrated Strategy</i> .	December 2022		<b>Targeting a Fully Addressed rating.</b> GAO reported that for DHS to achieve this Outcome, the Department needs to continue demonstrating sustainable progress in addressing the remaining outcomes that have yet to achieve a Fully Addressed rating. <sup>4</sup>
Continue to monitor GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	March and September 2022		DHS will publish two <i>Integrated Strategy</i> updates in 2022.
Continue to monitor GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	March and September 2021		This report is the second <i>Integrated Strategy</i> update for 2021. The first was released in March 2021.
Engage GAO on the status of this Outcome upon transmission of the March 2020 <i>Integrated Strategy</i> .	December 2020	December 2021	<b>Targeting a Mostly Addressed rating.</b> DHS will continue to demonstrate significant and sustainable progress on GAO outcomes to justify a Mostly Addressed in the 2021 GAO High-Risk Series update.
Continue to monitor GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	March and September 2020	March and September 2020	Completed. Reports were transmitted to GAO in March 2020 and September 2020 respectively.
Continued to monitor GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	March and September 2019	April and September 2019	Completed. Reports were transmitted to GAO in April 2019 and September 2019 respectively.
Continued to monitor GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	March and September 2018	March and September 2018	Completed. Reports were transmitted to GAO in March 2018 and September 2018 respectively.
Continued to monitor GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	March and September 2017	April and September 2017	Completed. Reports were transmitted to GAO in April 2017 and September 2017 respectively.
Fully Addressed or Mostly Addressed 70% of GAO outcomes (21 of 30).	February 2017	February 2017	Completed. GAO published its biannual <i>High-Risk Series</i> and rated DHS as having Fully Addressed or Mostly Addressed 21 of 30 GAO outcomes.
Continued to monitor GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	January and August 2016	January and August 2016	Completed. DHS published the January and August 2016 updates to the <i>Integrated Strategy</i> .

<sup>4</sup> GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, GAO-21-119SP (Washington, D.C.: March 2021), page 183.

The background of the slide features a large, faint, light blue seal of the U.S. Department of Homeland Security. The seal is circular, with the words "U.S. DEPARTMENT OF" at the top and "HOMELAND SECURITY" at the bottom. In the center is an eagle with its wings spread, holding an olive branch in its right talon and arrows in its left. The eagle's chest is covered by a shield with a top section of stars, a bottom-left section with a mountain, and a bottom-right section with wavy lines representing water.

## GAO High-Risk Ratings Summary

The background of the slide features a large, light blue, semi-transparent seal of the U.S. Department of Homeland Security. The seal is circular, with the words "U.S. DEPARTMENT OF" at the top and "HOMELAND SECURITY" at the bottom. In the center is an eagle with its wings spread, holding an olive branch in its right talon and arrows in its left. The eagle's chest is covered by a shield with a top section of stars, a bottom-left section with a mountain, and a bottom-right section with wavy lines representing water.

## GAO High-Risk Ratings Summary



Functional Area	GAO Outcome	2019 GAO Ratings <sup>1</sup>	2021 GAO Ratings
FM 1	Clean opinion on all financial statements	Fully Addressed	Fully Addressed
FM 2	Clean opinion on internal controls	Partially Addressed	Partially Addressed
FM 3	Clean opinions for two years	Fully Addressed	Fully Addressed
FM 4	Clean opinions for two years on internal controls	Initiated	Initiated
FM 5	Compliance with FFMA	Partially Addressed	Partially Addressed
FM 6	USCG Financial Systems Modernization	Partially Addressed	Partially Addressed
FM 7	FEMA Financial Systems Modernization	Initiated	Initiated
FM 8	ICE Financial Systems Modernization	Initiated	Initiated
HCM 1	Implement Human Capital Plan	Fully Addressed	Fully Addressed
HCM 2	Link workforce planning to other Department planning efforts	Fully Addressed	Fully Addressed
HCM 3	Enhance recruiting to meet current and long-term needs	Fully Addressed	Fully Addressed
HCM 4	Base human capital decisions on competencies and performance	Fully Addressed	Fully Addressed
HCM 5	Seek employee input to strengthen human capital approaches	Fully Addressed	Fully Addressed
HCM 6	Improve Federal Employee Viewpoint Survey Scores	Partially Addressed	Fully Addressed
HCM 7	Assess and improve training, education & development programs	Mostly Addressed	Mostly Addressed
ITM 1	Achieve EAMFF Stage 4	Fully Addressed	Fully Addressed
ITM 2	Achieve ITIMF Stage 3	Fully Addressed	Fully Addressed
ITM 3	Achieve CMMI Level 2	Fully Addressed	Fully Addressed
ITM 4	Implement IT Human Capital Plan	Fully Addressed	Fully Addressed
ITM 5	Adhere to IT Program Baselines	Fully Addressed	Fully Addressed
ITM 6	Enhance IT Security	Mostly Addressed	Partially Addressed
APM 1	Timely validate required acquisition documents	Fully Addressed	Fully Addressed
APM 2	Improve Component acquisition capabilities	Fully Addressed	Fully Addressed
APM 3	Establish and effectively operate the Joint Requirements Council	Mostly Addressed	Mostly Addressed
APM 4	Assess acquisition program staffing	Mostly Addressed	Mostly Addressed
APM 5	Establish oversight mechanisms to validate that acquisition programs are achieving goals and comply with Department policies	Partially Addressed	Mostly Addressed
MI 1	Implement actions / outcomes in each LOB	Partially Addressed	Partially Addressed
MI 2	Revise MI strategy to address previous recommendations	Fully Addressed	Fully Addressed
MI 3	Establish performance measures to assess ongoing progress	Fully Addressed	Fully Addressed
MI 4	Promote department-wide accountability through performance management system	Fully Addressed	Fully Addressed
Fully Addressed GAO Outcomes (out of 30)		17 (57%)	18 (57%)
Fully Addressed and Mostly Addressed GAO Outcomes (out of 30)		21 (70%)	22 (73%)

GAO Criteria	Definition	GAO Ratings as of 2021 <sup>2</sup>
Leadership Commitment	Demonstrated strong commitment and top leadership support.	Met
Capacity	Agency has the capacity (i.e., people and resources) to resolve the risk(s).	Partially Met
Action Plan	A corrective action plan exists that defines the root cause, solutions, and provides for substantially completing corrective measures, including steps necessary to implement solutions [GAO] recommended.	Met
Monitoring	A program has been instituted to monitor and independently validate the effectiveness and sustainability of corrective measures.	Met
Demonstrated Progress	Ability to demonstrate progress in implementing corrective measures and in resolving the high-risk area.	Partially Met

Met or Fully Addressed	Mostly Addressed
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<sup>1</sup> **GAO Outcomes:** GAO rates DHS's progress using the following scale: **Fully Addressed** – Outcome is fully addressed; **Mostly Addressed** – Progress is significant and a small amount of work remains; **Partially Addressed** – Progress is measurable, but significant work remains; **Initiated** – Activities have been initiated to address the outcome, but it is too early to report progress. (Source: GAO-21-119SP, page 180).

<sup>2</sup> **GAO Criteria:** GAO rates agencies' progress using the following scale: **Met** – Actions have been taken that meet the criterion. There are no significant actions that need to be taken to further address this criterion; **Partially Met** – Some, but not all, actions necessary to meet the criterion have been taken; **Not Met** – Few, if any, actions towards meeting the criterion have been taken. (Source: GAO-21-119SP, page 4).