Integrated Strategy for High-Risk Management

Strengthening DHS Information Technology and Financial Management Functions
A Biannual Update to the Government Accountability Office

March 2025

Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528

April 10, 2025

The Honorable Gene L.Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548-0001

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*). This semi-annual update to the Department's *Integrated Strategy* covers the first half of fiscal year (FY) 2025. This update provides our current status and future plans to fully address our remaining, agreed upon outcomes to resolve the *Strengthening DHS Information Technology and Financial Management* High-Risk Area.

On November 15, 2024, the DHS Office of Inspector General released audit report OIG-25-05, *Independent Auditors' Report on the Department of Homeland Security's FY 2024 and 2023 Consolidated Financial Statements and Internal Control over Financial Reporting*. In this report, the auditors issued an unmodified (or clean) opinion on the DHS financial statements – the 12th consecutive year the Department has earned a clean financial statement opinion. Furthermore, the auditors noted substantial progress in internal controls, with two prior year material weaknesses – *Insurance Liabilities* and *Receipt of Goods and Services* - being fully remediated. This reduced the Department's total number of material weaknesses from five to three. This demonstrated progress positions DHS for another clean financial statement opinion in FY 2025 and moves the Department closer to its goal of a clean internal control opinion.

Of the three remaining material weaknesses reported by the auditors, *Information Technology Controls and Information Systems* is the most challenging. Many of the underlying risks and audit findings behind this weakness relate to outdated financial and business systems still used in parts of DHS. As reported in previous iterations of the *Integrated Strategy*, the DHS Chief Financial Officer (CFO)[1] and Chief Information Officer (CIO) have established a Financial Systems Modernization Program that is centrally managing modernization projects at most of the Department's major components, including the U.S. Coast Guard (USCG), Federal Emergency Management Agency (FEMA), and Immigration and Customs Enforcement (ICE).

USCG moved to a modern Oracle-based financial, procurement, and asset

[1] At the time of this report's publication, the DHS Deputy CFO is serving as the acting CFO.

management system in FY 2022, and has sustained a clean financial statement audit opinion since then. As a result of system conversion and legacy data issues, USCG was the primary contributor to the *Receipt of Goods and Services* material weakness that was successfully resolved in FY 2024. The DHS CFO and USCG are working closely to address remaining system pain points, and we plan to reach full operational capability in late 2025.

FEMA began its modernization effort early in FY 2024, and during the year completed the initial planning phase of the program, called "Discovery". This phase included workshops with FEMA functional experts to assess the degree to which standard application functionality supports FEMA business processes and the types of configurations needed to fully implement requirements. In late FY 2024, the DHS Acquisition Review Board approved the program to move into the implementation phase, which is now underway. FEMA is scheduled to migrate to their new, modern financial system in FY 2027.

Finally, after a delay caused by vendor contract award protests, ICE began its modernization effort in FY 2025 and is currently in the planning phase of the program, similar to where FEMA was at this time last year. ICE is expected to complete this phase by the end of the fiscal year, at which time a milestone schedule for implementation will be proposed and approved. ICE is an internal shared service provider within DHS, and four other Components[1] use ICE's legacy financial system. The ICE modernization will move ICE and its shared service customer Components to a modern system by the end of decade.

Finally, despite evolving cybersecurity threats and mission challenges, DHS continues to demonstrate progress in strengthening its IT security environment while enhancing internal controls. To date, we have fully addressed five of the six agreed upon high-risk outcomes in IT and are progressing toward the last outcome. The *DHS Cybersecurity Strategic Plan FY25-28* lays out several key initiatives that we will undertake in the next three years and demonstrates the Department's commitment to enhancing information security, addressing GAO findings, and ensuring the effective protection of our internal systems and networks.

We appreciate our partnership with GAO, including the positive and collaborative relationship we have with the staff you have assigned to monitor the Strengthening DHS IT and Financial Management High- Risk Area. We are working aggressively to tackle our remaining challenges and look forward to continued engagement with your team.

Sincerely,

BENJAMINE C HUFFMAN

Digitally signed by BENJAMINE C HUFFMAN
Date: 2025.04.10 16:44:13 -04'00'

Benjamine C. Huffman
Senior Official Performing the Duties of the
Under Secretary for Management

[1] Beyond ICE, U.S. Citizenship & Immigration Services, the Cybersecurity and Infrastructure Agency, the Science and echnology Directorate, and DHS Headquarters currently use ICE's financial system.

Progress on the Government Accountability Office High-Risk Outcomes

In 2010, the Government Accountability Office (GAO) identified 30 outcomes and the Department of Homeland Security (DHS) agreed that achieving these goals were critical to addressing challenges within the Department's management areas. Those outcomes covered the following functional areas: financial management, human capital, information technology, acquisition, and management integration. The Department first issued the *Integrated Strategy* in 2011 and has maintained a practice of updating GAO on its progress twice a year.[2] In general, the *Integrated Strategy for High-Risk Management (Integrated Strategy)* report provides updated action plans for the outcomes that have not yet achieved a Fully Addressed rating from GAO.

Since that time, the Department has made significant progress and addressed many of the identified outcomes. As such, in 2023, GAO narrowed the scope of this High-Risk area to *Strengthening DHS Information Technology and Financial Management* and focus only on the remaining nine outcomes in the related functional areas. Please see *Table 1* for a summary of the remaining outcomes.

In the GAO Report to Congressional Committees dated February 2025,[3] GAO concluded that the Department has fully addressed its Human Capital Management and Acquisition Management outcomes. The Department is committed to addressing its remaining unresolved outcomes while sustaining progress in the Acquisition Management and Human Capital Management areas.

GAO rates the Department's outcomes 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.

Table 1. Summary of DHS's GAO Outcome Ratings by Functional Area (2025)

Functional Area	Total GAO Outcomes	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated
Financial Management	**8**	2	0	3	3
Information Technology Management	**6**	5	0	1	0
Total as of March 2025	**14**	**7**	**0**	**4**	**3**

In the July 30, 2024, GAO issued the report,[4] *Financial Management Systems: DHS Should Improve Plans*

[2] 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.

[3] GAO, Report to Congressional Committees: High-Risk Series: Heightened Attention Could Save Billions More and Improve Government Efficiency and Effectiveness (GAO-25-107743, February 2025).

[4] GAO, Financial Management Systems: DHS Should Improve Plans for Addressing Its High-Risk Area and Guidance for Independent Reviews (GAO-24-106895, July 2024).

for Addressing Its High-Risk Area and Guidance for Independent Reviews, GAO acknowledged that the activities (1) incorporated in DHS's key financial system modernization (FSM) Departmental and operational strategies, and (2) related to DHS's efforts to obtain a clean Internal Control over Financial Reporting (ICOFR) opinion, both fully met nine and partially met four of GAO's 13 leading practices for performance management. In addition, DHS's cost and schedule estimation guidance was determined to be generally consistent with GAO's leading practices. DHS concurred with GAO's recommendations in the July 2024 report and is working toward full implementation of GAO's leading practices.

Progress on GAO High-Risk Outcomes

Financial Management (FM) Outcomes #2 and #4

Outcome Lead: Alyssa Smiley

Outcome Executive: Stacy Marcott

GAO Outcomes: (FM 2) - Obtain an unmodified opinion on internal control over financial reporting (ICOFR) to demonstrate effective internal controls; and (FM 4) - Sustain unmodified opinions for at least two consecutive years on ICOFR.

DHS Successes: DHS has proven its capacity and capability for strong financial reporting and management, as noted by twelve consecutive unmodified ("clean") financial statement opinions and the reduction of material weaknesses from ten in 2006 down to two by 2021. Specifically, in FY 2020 DHS was able to fully remediate a long-standing significant deficiency over Property, Plant, and Equipment. In FY 2021, DHS downgraded the Journal Voucher and Beginning Balance deficiency from being a contributor to the Financial Reporting material weakness.

The DHS Integrated Financial Statement audit highlighted additional challenge areas encountered in FY 2022 and FY 2023 that have resulted in five areas of material weakness being identified as of FY 2023. In FY 2024, DHS continued to self-report four areas of material weakness based on the agency's internal control assessment program. However, the external auditor noted improvements within the agency's control environment and cleared the previously reported areas of material weakness associated with Insurance Liabilities and the Receipt of Goods and Services. DHS remains committed to resolving the remaining areas of deficiency. Given its 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 2025 Outcome Rating: FM 2

Initiated	**Partially Addressed**	Mostly Addressed	Fully Addressed

GAO 2025 Outcome Rating: FM 4

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed

CURRENT STATUS

To advance to Fully Addressed for FM 2, DHS must obtain an unmodified opinion on ICOFR and demonstrate an effective system of internal controls. To achieve an unmodified opinion, DHS must reduce one of the outstanding areas of material weakness to a significant deficiency. Once the unmodified opinion is obtained, DHS plans to use the same risk-based approach used for FM 2 to sustain the unmodified opinion and advance FM 4.

DHS continues to make significant progress and achieved its twelfth unmodified audit opinion on the 2024 DHS financial statements and related footnotes. In addition, the sustainment of a "clean" financial statement opinion for over ten 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.

CURRENT STATUS
In FY 2021, management reported two areas of material weaknesses: 1) Financial Reporting and 2) Information Technology (IT) Controls and System Functionality. In FY 2022, DHS continued the ongoing remediation over these known areas of material weaknesses and worked to resolve financial reporting deficiencies through targeted remediation. In FY 2022, the United States Coast Guard (USCG) underwent a major financial systems modernization effort that included transitioning to a new financial management system, the Financial Systems Modernization Solution (FSMS), in December 2021 (see FM Outcome #6). Transition to a modernized financial system will have benefits for USCG financial operations and reporting going forward. However, challenges with the initial USCG transition to FSMS from the legacy application has had substantial impacts to many of the Component's business processes. As a result, internal control over financial reporting deficiencies were identified and reported in FY 2022. In addition, the late fiscal year landfall of Hurricane Ian resulted in a large-scale Federal Emergency Management Agency (FEMA) response to assist the impacted region. Despite timing challenges, FEMA maintained focus on Hurricane Ian response and continued to support these efforts financially through grants, disaster loans, and flood insurance payments. While DHS continued remediation efforts in these areas, in FY 2023, an additional area of material weakness related to Seized and Forfeited Property was reported by the independent auditor. While DHS does not fully agree with the characterization of Seized and Forfeited Property as an area of material weakness, the agency does recognize that internal controls over that process needs to be further strengthened. As a result, in FY 2023, DHS received a modified opinion on internal control over financial reporting that cited five areas of material weaknesses: 1) Information Technology Controls and Information Systems, 2) Financial Reporting, 3) Insurance Liabilities, 4) Receipt of Goods and Services, and 5) Seized and Forfeited Property Other than Monetary Instruments. As a result of DHS's continued commitment to improving internal controls over financial reporting, the Department was able to successfully close the Insurance Liabilities and the Receipt of Goods and Services areas of material weakness within the external audit report in FY 2024. To resolve the remaining areas of material weakness and the one significant deficiency, the Department's Chief Financial Officer (CFO) is continuing the execution of a multi-year plan to achieve an unmodified "clean" ICOFR opinion. The Department recognizes remediation of the remaining areas of material weakness related to Financial Reporting and IT Controls and Information Systems will be 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 obtaining an unmodified "clean" ICOFR opinion while also realizing additional time will be necessary. As such, DHS has

CURRENT STATUS
sustained the target date for an unmodified ICOFR opinion of FY 2028, dependent on the schedule for the FEMA financial system modernization effort. As was identified by GAO in July 2024,[5] although the Department has multiple individual strategy and guidance documents for managing efforts at a departmental or an operational level for obtaining a clean ICOFR opinion, collectively the documents only partially address the GAO leading practices associated with 1) Identify strategies and resources, 2) Involve stakeholders, 3) Promote accountability, and 4) Build and maintain capacity. DHS fully acknowledges that a comprehensive strategy related to obtaining and sustaining a clean ICOFR opinion that fully incorporates GAO's leading practices for performance management activities would assist in effectively managing these efforts. As such, additional actions have been added into the outcome plan for FM 2 and FM 4 to resolve these partially addressed GAO leading practices for performance management and enhance DHS's comprehensive strategy for obtaining and sustaining a clean ICOFR opinion.

Legend for the Following Outcome Action Plan:

- Targeting a Fully Addressed Rating
- Targeting a Mostly Addressed or Partially Addressed Rating
- In Progress / Planned
- Completed

OUTCOME ACTION PLAN[6]

Actions	Projected Date	Reason for Change / Notes
(FM 4) Sustain an unmodified (i.e., clean) opinion on internal control over financial reporting for two consecutive years (i.e., FY 2027 and FY 2028).	November 2029	**Targeting a Fully Addressed rating**. The independent auditor will issue its report for FY 2029 in November 2029.
(FM 4) Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2029	Components identify risks that could prevent sustainment of progress and develop appropriate risk response.
(FM 4) DHS CFO to oversee and review A-123 results.	March, June, and August 2029	DHS CFO incrementally reviews Component A-123 assessment results and sustains progress.
(FM 4) Update DHS's ICOFR strategy and guidance documentation, as needed.	December 2028	DHS CFO to annually review the strategy and guidance documentation related to obtaining and sustaining an ICOFR opinion and update as needed.

[5] GAO, Financial Management Systems: DHS Should Improve Plans for Addressing Its High-Risk Area and Guidance for Independent Reviews (GAO-24-106895, July 2024).

[6] Only the most recent and significant updates have been included in this report. For a history of the Department's progress in this area, please refer to past updates to the Integrated Strategy (https://www.dhs.gov/publication/dhs-integrated-strategy).

OUTCOME ACTION PLAN[6]		
Actions	**Projected Date**	**Reason for Change / Notes**
(FM 4) Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2028	**Targeting a Mostly Addressed Rating** The independent auditor will issue its report for FY 2028 in November 2028. This should be noted as "Mostly Addressed" when DHS FM 2 is noted as "Fully Addressed". DHS proposes this Outcome be considered Mostly Addressed when all areas of material weakness have been reduced to a significant deficiency.
(FM 2) Obtain an unmodified (i.e., clean) opinion on internal control over financial reporting for FY 2027.	November 2028	**Targeting a Fully Addressed rating.** The independent auditor will issue its report for FY 2028 in November 2028. Adjusted date because of system modernization efforts planned as well as select, complex deficiencies 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 2028	Components review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.
Review and validate Component completed remediation steps.	March, June, and August 2028	DHS CFO incrementally reviews and validates remediation steps completed by Components.
Work with Components to assess FY 2026 audit risks and develop corrective actions.	January and February 2028	DHS CFO works with Components to establish corrective actions based on risks identified.
Update DHS's ICOFR strategy and guidance documentation, as needed.	December 2027	DHS CFO to annually review the strategy and guidance documentation related to obtaining and sustaining an ICOFR opinion and update as needed.
(FM 4) Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2027	**Targeting a Partially Addressed Rating.** DHS proposes this Outcome be considered Partially Addressed when the Financial Reporting or IT material weakness area is reduced to a significant deficiency. This should be noted as "Partially Addressed" when DHS Financial Management Outcome #2 is noted as "Mostly Addressed". 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 2027	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[6]		
Actions	**Projected Date**	**Reason for Change / Notes**
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2027	Components review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.
Review and validate Component completed remediation steps.	March, June, and August 2027	DHS CFO incrementally reviews and validates remediation steps completed by Components.
Work with Components to assess FY 2026 audit risks and develop corrective actions.	January and February 2027	DHS CFO works with Components to establish corrective actions based on risks identified.
Update DHS's ICOFR strategy and guidance documentation, as needed.	December 2026	DHS CFO to annually review the strategy and guidance documentation related to obtaining and sustaining an ICOFR opinion and update as needed.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2026	Components review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.
Review and validate Component completed remediation steps.	March, June, and August 2026	DHS CFO incrementally reviews and validates remediation steps completed by Components.
Work with Components to request resourcing in the FY 2027 budget request, as applicable, to address resourcing gaps for obtaining and sustaining an ICOFR opinion identified through the resourcing review.	February 2026	DHS CFO works with Components to develop the FY 2027 DHS budget request.
Work with Components to assess FY 2025 audit risks and develop corrective actions.	January and February 2026	DHS CFO works with Components to establish corrective actions based on risks identified.
Update DHS's ICOFR strategy and guidance documentation to ensure adequate inclusion of current stakeholder involvement, accountability, and capacity based on current resourcing levels.	December 2025	DHS CFO to annually review the strategy and guidance documentation related to obtaining and sustaining an ICOFR opinion and update as needed.
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 review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.
Review and validate Component completed remediation steps.	March, June, and August 2025	DHS CFO incrementally reviews and validates remediation steps completed by Components.

OUTCOME ACTION PLAN[6]		
Actions	**Projected Date**	**Reason for Change / Notes**
Conduct a resourcing review to accurately identify current resourcing levels and capabilities and crosswalk that information to the high-risk areas related to DHS's ability to obtain and sustain an unmodified ICOFR opinion.	June 2025	In Progress. DHS OCFO is working through the first phase of a resourcing review to include leveraging pre-existing workforce analysis and conducting additional analysis as possible. DHS CFO to execute a resourcing review to drive internal and external resourcing decisions to obtain an ICOFR opinion.
Work with Components to assess FY 2024 audit risks and develop corrective actions.	January and February 2025	In Progress. DHS has received the majority of the required corrective action plans as of February 2025 and is working to finalize the remaining plans in early March 2025. DHS CFO works with Components to establish corrective actions based on risks identified.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2024	**Completed.** Components review the results of testing for the second and third quarters to continue to assess their progress as part of routine monitoring.
Review and validate Component completed remediation steps.	March, June, and August 2024	**Completed.** DHS CFO incrementally reviews and validates remediation steps completed by Components.
Work with Components to assess FY 2023 audit risks and develop corrective actions.	January and February 2024	**Completed.** DHS CFO works with Components to establish corrective actions based on risks identified.

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.[7]

DHS Successes: DHS has proven its capacity and capability for strong financial reporting and management, as noted by twelve consecutive unmodified ("clean") financial statement opinions and the reduction of material weaknesses from ten in 2006 down to two by 2021. While additional challenge areas were noted in FY 2022 and FY 2023 that resulted in five areas of material weakness being identified. DHS's remaining commitment to resolving these deficiencies resulted in a noticeable improvement in the FY 2024 audit report which disclosed only three areas of material weaknesses[8]. In coordination with modernizing the financial accounting system utilized by the USCG, additional challenges regarding FFMIA compliance were encountered. The FY 2024 independent auditor report continued to note areas of FFMIA noncompliance, but DHS was able to maintain its unmodified "clean" financial statement opinion for the twelfth consecutive year. 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 ICOFR and remaining challenges with FFMIA pose a substantial, unmitigated risk to successful financial management at DHS.

GAO 2025 Outcome Rating

Initiated	**Partially Addressed**	Mostly Addressed	Fully Addressed

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.[9] The DHS 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 integrated approach and strategy, is conducting the following activities:

[7] *Federal Financial Management Improvement Act* (FFMIA), Congress Public Law No. 104-208, 104th, September 30, 1996.

[8] DHS self-reported four areas of material weakness. Specifically, Insurance Management remained a disclosure by the agency but was cleared by the external auditor.

[9] 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
• 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 and the IT weakness areas by FY 2028 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 2028, 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 (FISMA). For FY 2025, Components have substantively 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 the CFO Designated Systems. Remediation and assessment efforts are ongoing in support of the Department's find, fix, test, and assert strategy. Based on the most current DHS Office of Inspector General (OIG) assessment and report regarding the FISMA requirements, *Evaluation of DHS' Information Security Program for Fiscal Year 2023*, DHS's information security program was rated as "effective" to protect the information and information systems that support DHS's operations and assets for FY 2023. Based on the historical timing of the release of the annual reports, DHS would expect the OIG's report related to FY 2024 to be issued around June 2025.

Legend for the Following Outcome Action Plan:

- Targeting a Fully Addressed Rating
- Targeting a Mostly Addressed or Partially Addressed Rating
- In Progress / Planned
- Completed

OUTCOME ACTION PLAN[10]		
Actions	**Projected Date**	**Reason for Change / Notes**
Substantially comply with the requirements of FFMIA as reported by the independent auditor.	November 2028	**Targeting a Fully Addressed rating.** The independent auditor will issue its report for FY 2028 in November 2028. 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.

[10] Only the most recent and significant updates have been included in this report. For a history of the Department's progress in this area, please refer to past updates to the Integrated Strategy (https://www.dhs.gov/publication/dhs-integrated-strategy).

OUTCOME ACTION PLAN[10]		
Actions	**Projected Date**	**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 2028	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 2026; April and July 2028	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 2026 through August 2028	Monthly action conducted each year.
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 2027	**Targeting a Mostly Addressed Rating.** The independent auditor will issue its report for FY 2027 in November 2027. 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 2027.
Components re-evaluate risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March, June, and August 2027	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 2025; April and July 2027	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 2025 through August 2027	Monthly action conducted each year.
Components re-evaluate risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March, June, and August 2026	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[10]		
Actions	**Projected Date**	**Reason for Change / Notes**
Conduct quarterly risk assessments and incorporate results into Component risk management plans through recurring quarterly meetings.	December2025; April and July 2026	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.	December2025 through August 2026	Monthly action conducted each year.
Components re-evaluate risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March, June, and August 2025	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.	December2024; April and July 2025	In Progress. 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.	December2024 through August 2025	In Progress. Meetings with higher financial audit risk Components kicked off in February 2025. Monthly action conducted each year.
Components re-evaluate risks to sustain a clean audit opinion and reduce weaknesses in internal control and business processes.	March, June, and August 2024	**Completed.** 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 engage with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	December2023 through August 2024	**Completed.** Monthly action conducted each year.

Financial Management Outcomes #6–8

Outcome Lead: Jeffrey Bobich

Outcome Executive: Stacy Marcott

GAO Outcomes: 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; FEMA; and U.S. Immigration and Customs Enforcement (ICE) and its customers by:

- Applying rigorous and disciplined 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 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 twelve consecutive years – including the years of the CWMD, TSA, and USCG modernizations. Given this demonstrated record of success, DHS 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 and perform their missions despite their outdated systems.

GAO 2025 Outcome Rating: FM 6 (USCG)

Initiated	**Partially Addressed**	Mostly Addressed	Fully Addressed

GAO 2025 Outcome Rating: FM 7 (FEMA) and 8 (ICE and ICE Customers)

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed

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. In GAO's report, *Financial Management Systems: DHS Should Improve Plans for Addressing Its High-Risk Area and Guidance for Independent Reviews,*[11] GAO noted that multiple documents containing strategies and guidance related to the Department's FSM efforts at both the departmental and operational level "partially met" the following GAO leading practices:

[11] GAO, Financial Management Systems: DHS Should Improve Plans for Addressing Its High-Risk Area and Guidance for Independent Reviews (GAO-24-106895, July 2024).

CURRENT STATUS

1) Identify strategies and resources, 2) Assess the extent to which existing evidence addresses key questions, 3) Identify and prioritize new evidence needs, and 4) Apply learning to decision- making. DHS acknowledges that comprehensive strategies and guidance that fully incorporate GAO's 13 leading practices for performance managements are key tenets in managing FSM efforts to address the Department's high-risk financial management areas and ensure the successful implementation of these initiatives.
 	
DHS is expanding coverage of evidence gathering and prioritization efforts for those key questions and associated goals currently assessed elsewhere at the detailed, operational level which significantly inform the financial modernization path. Additional information provided in this iteration of the Integrated Strategy for High-Risk Management to address the "partially met" leading practices includes:
 	
• Identify strategies and resources: The financial resources required to meet the goals are defined in the individual programs' Life-Cycle Cost Estimates (LCCE) and codified in Acquisition Program Baselines (APB). The FSM Trio LCCE and APB define the resource requirements for the USCG modernization. The FSM FEMA initial LCCE and preliminary APB define the projected resource requirements for the FEMA modernization. The JPMO will refine the FEMA resource requirements in July 2025 at Acquisition Decision Event (ADE) 2B through a final LCCE and APB. For ICE, the JPMO will define resource requirements in a preliminary APB document prior to ADE-2A in Fiscal Year 2026.
• Assess the extent to which existing evidence addresses key questions: The Critical Operational Issues (COIs) defined in the programs' Operational Requirements Documents raise the key questions that define operational effectiveness and suitability. These questions, when answered affirmatively, will support a 'Fully Addressed' rating for FM Outcomes 6 -8:
  o Does the solution allow DHS users to effectively and efficiently perform the business processes?
  o Does the solution sufficiently interoperate with all internal and external systems necessary for execution of end-to-end business processes?
  o Does the solution, through proper use and inclusion of internal system controls, enable DHS to obtain and maintain an unmodified ("clean") Financial Statement audit opinion?
  o Is the solution's reliability, availability, and maintainability sufficient for DHS to perform the end-to-end business processes?
  o Is the solution resilient to denial of service, degradation of service, data manipulation, data exfiltration, and pivoting to maintain the security and integrity of the end-to-end business processes?
  o Does the solution support the required usability with user interface and user support (e.g., Helpdesk, training, etc.) to perform the end-to-end business processes?

CURRENT STATUS

- Identify and prioritize new evidence needs: DHS has included the Operational Test Readiness Review milestone, where program leadership addresses plans for Operational Test and Evaluation (OT&E) to verify the information required to evaluate the program during OT&E, and that Operational Test Plans are sufficient to collect the required information.
- Apply learning to decision-making: DHS has added the Post-Implementation Review (PIR) Technical Review milestone, where the program will assess whether the program's objectives have been met, document lessons learned, and incorporate feedback into future efforts.

USCG (FM 6):

In December 2021, DHS provided GAO notice of USCG's completed transition to the new financial system and requested GAO update the status of FM 6 to "Fully Addressed." In July 2022, GAO stated that they are waiting on the FY 2022 USCG audit report and results from the full operating capability assessment before agreeing to change the status of this outcome.

At the end of FY 2022, DHS (including USCG) achieved an unmodified (clean) financial statement audit opinion. However, due to functionality gaps the FSM Trio Program was unable to declare that it had reached Full Operational Capability (FOC). DHS created a plan to identify and resolve system and functionality weaknesses through an independent study. Based on the results of this study, DHS is taking remediation steps to address the identified issues.

DHS is targeting completion of Follow-on Test & Evaluation (FOT&E) and declaration of FOC by October 2025, which should be sufficient for a "Mostly Addressed" rating. Outcome 6 will be "Fully Addressed" once the system reaches sustainment and no longer contributes to any financial reporting material weakness.

FEMA (FM 7):

After DHS awarded the system integrator task order in September 2023 for the FSM FEMA program and acquired cloud hosting services, the program onboarded system integrator contractors and stood up a demonstration system. The program then conducted "Discovery" workshops with FEMA functional experts to assess the degree to which standard application functionality supports FEMA business processes and the types of configurations needed to fully implement requirements. The program completed these workshops in June 2024. In September 2024, the program obtained approval at the ADE-2A acquisition review to enter the Acquisition Lifecycle 'Obtain' phase. At the ADE-2A, the Acquisition Decision Authority approved a Preliminary Acquisition Baseline. The program will finalize this baseline at ADE-2B in July 2025. The program started initial Design in October 2024 and initial build activities in January 2025.

CURRENT STATUS
ICE and ICE Customers (FM 8): DHS awarded a software task order to support ICE in November 2022. Subsequent to award, a protest was filed but resolved favorably in January 2023. DHS awarded the integration task order in September 2023, with a subsequent protest received and sustained. DHS completed corrective action to resolve the protest and affirmed the system integrator task order in September 2024. DHS is currently conducting the Discovery process for ICE through FY 2025. Implementation plans, with key milestone dates, will be developed from that process.

Legend for the Following Outcome Action Plan:

- Targeting a Fully Addressed Rating (Green)
- Targeting a Mostly Addressed or Partially Addressed Rating (Yellow)
- In Progress / Planned (White)
- Completed (Gray)

OUTCOME ACTION PLAN		
Actions	**Projected Date**	**Reason for change/notes**
FM 6 (USCG)		
System is in sustainment (i.e., Operations and Support phase)	September 2027	**Targeting a Fully Addressed rating for GAO Outcome FM 6.** Outcome 6 will be Fully Addressed once the financial system reaches sustainment and does not contribute to the financial reporting material weakness related to application controls.
Post-Implementation Review Technical Review	October 2026	Program will assess whether the program's objectives have been met, document lessons learned, and incorporate feedback into future efforts.
FOC Declaration and Conduct Acquisition Decision Event-3 (ADE-3)	October 2025	Targeting a Mostly Addressed rating for GAO Outcome FM 6. Confirmation by the Acquisition Decision Authority that FOC/Acquisition Decision Event-3 (ADE-3) has been achieved.
Receive System Evaluation Report and Letter of Assessment (LOA)	August 2025	The LOA includes an assessment of the adequacy of the FOT&E and independent evaluation of operational effectiveness, suitability, and resilience.
Conduct Operational Test and Evaluation (OT&E)	May 2025	Assesses operational effectiveness and suitability.
Conduct Adversarial Assessment	May 2025	Determines cyber resilience.

OUTCOME ACTION PLAN		
Actions	**Projected Date**	**Reason for change/notes**
Complete Software Development to address Critical Functionality Gaps	April 2025	Addresses specific functionality issues identified by Trio stakeholders.
Conduct Operational Test Readiness Review (OTRR)	March 2025	Conducted prior to the commencement of Operational Test and Evaluation (OT&E) to determine whether the system and required operational test participants are ready to enter OT&E.
Conduct Operational Assessment	March 2025	Helps determine operational effectiveness and suitability supporting the Operational Test Readiness Review and a decision to go to Follow- on Test & Evaluation.
Complete Performance Upgrades	March 2025	Incorporates recommendations from the Homeland Security Systems Engineering and Development Institute report including: (1) Obtain consensus among stakeholders for FOC definition and criteria, and (2) resolve the cyber resilience issues.
Conduct Cooperative Vulnerability and Penetration Assessment	February 2025	**Completed February 2025.** Helps determine cyber resilience.
Conduct Cyber Tabletop Exercise	January 2025	**Completed November 2024.** Helps determine cyber resilience through discussion of likely cyber-attack scenarios and JPMO's response in each case. No actual system penetration testing.
Update Test and Evaluation Master Plan	August 2024	**Completed August 2024**. To adjust future testing methodology supporting system updates and incorporate lessons learned.
Complete Linux Update	May 2024	**Completed June 2024**. For system compliance and performance upgrades to address cyber resilience issues.
Update Acquisition Program Baseline	May 2024	**Completed May 2024**. Re-baseline the program to the new schedule and cost indexes.
Update Life Cycle Cost Estimate	April 2024	**Completed April 2024.** Update Life Cycle Cost Estimate to capture actual costs and savings, add additional testing cost for a second round of operational testing and new testing based on Letter of Assessment recommendations as well as adjusting cost sharing model.
Update the Test and Evaluation Strategy	April 2024	**Completed April 2024**. To adjust future testing methodology supporting system updates and incorporate lessons learned.
USCG completes migration of their financial management systems.	October 2021	**Completed December 2021.** USCG migration is complete, and financial management activities are now being performed on a modern system.

OUTCOME ACTION PLAN		
Actions	**Projected Date**	**Reason for change/notes**
FM 7 (FEMA)		
System is in sustainment (i.e., Operations and Support phase)	TBD	**Targeting a Fully Addressed rating for GAO Outcome FM 7.** Outcome 7 will be Fully Addressed once the financial system reaches sustainment and does not contribute to the financial reporting material weakness related to application controls.
Post-Implementation Review Technical Review	TBD	Program will assess whether the program's objectives have been met, document lessons learned, and plan to incorporate feedback into future efforts.
Declare Full Operational Capability and conduct Acquisition Decision Event-3 (ADE-3)	TBD	**Targeting a Mostly Addressed rating for GAO Outcome FM 7.** FEMA schedule will be a baselined at ADE-2B by the final Acquisition Program Baseline.
Receive System Evaluation Report and Letter of Assessment. (LOA)	TBD	The LOA includes an assessment of the adequacy of the OT&E and independent evaluation of operational effectiveness, suitability, and resilience.
Conduct Operational Test and Evaluation (OT&E)	TBD	Assesses Operational Effectiveness and Suitability of the system.
Conduct Operational Test Readiness Review (OTRR)	TBD	Conducted prior to the commencement of Operational Test and Evaluation (OT&E) to determine whether the system and required operational test participants are ready to enter OT&E.
Declare Initial Operational Capability (IOC)	March 2027	Attests that system meets all IOC criteria as defined in FEMA FSM Operational Requirements Document.
FEMA go live.	December 2026	**Targeting a Partially Addressed rating for GAO Outcome FM 7.** The To-Be system for FEMA will become operational.
Conduct Production Readiness Review (PRR) and Acquisition Decision Event-2C (ADE-2C).	October through December 2026	Component will present documentation to support that the solution is ready for deployment and support.
FEMA Data conversion and migration.	December 2025 through August 2026	Data will be incorporated from old to new system.
Initial Training of FEMA Users.	August through December 2026	End users will receive new system and business process training.

OUTCOME ACTION PLAN		
Actions	**Projected Date**	**Reason for change/notes**
FEMA User Acceptance Test and acceptance.	September through December 2026	End users will test and accept system software based on their requirements and approved test plans.
Integration Readiness Review and System Integration Test Readiness Review	February 2026	Conducted prior to the commencement of formal integration testing to determine whether adequate developmental test and evaluation planning and adequate test resources are available to support System Integration Testing.
Complete IO configuration and interfaces for FEMA.	February 2026	System integrator will configure system software to meet requirements for Initial Operational Capability.
Approve Acquisition Program Baseline	July 2025	Complete planning and design to conduct Acquisition Decision Event 2B.
Perform Integrated Baseline Review	April 2025	DHS and system integrator mutually understand program scope, schedule, and risks, and confirm that the baseline's budget and schedule are adequate for performing implementation.
Complete acquisition program baseline planning; conduct gate reviews for Obtain phase.	September 2024	**Completed September 2024.** Planning artifacts to support Program Planning, Enterprise Architecture, and Acquisition Reviews for ADE- 2A.
Develop Systems Engineering Life Cycle Tailoring Plan (SELC-TP)	September 2024	**Completed September 2024.** This plan tailors the phases, products and reviews in the SELC to meet the specific needs of the program and projects.
Develop Test and Evaluation Strategy	July 2024	**Completed July 2024.** Develop testing methodology supporting system implementation.
Complete discovery workshops.	June 2024	**Completed June 2024.** System integrator engages FEMA customer subject matter experts in agreeing on system design requirements. Conducted over 200 workshops involving 125+ FEMA subject matter experts and boundary system owners (800+ hours) to evaluate over 3,000 requirements.
Stand up and configure demonstration system.	November 2023	**Completed January 2024.** Security approvals delayed installation and configuration of demo system.
Select the system integrator.	January 2023	**Completed September 2023.** Changes to procurement schedules to maximize alignment between the FEMA and ICE modernization projects. FEMA program selected the System Integrator.

OUTCOME ACTION PLAN		
Actions	**Projected Date**	**Reason for change/notes**
Select the software.	October 2022	**Completed January 2023.** A task order was awarded in November 2022. A protest was resolved in January 2023.
Award Strategic Sourcing Software Licensing vehicle.	February 2022	**Completed 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	**Completed March 2021.** Enterprise Financial Systems Integrator (EFSI) vehicle was awarded November 2020, and protest resolved favorably in March 2021.
FM 8 (ICE)		
System is in sustainment (i.e., Operations and Support phase)	TBD	**Targeting a Fully Addressed rating for GAO Outcome FM 8.** Outcome 8 will be Fully Addressed once the financial system reaches sustainment and does not contribute to the financial reporting material weakness related to application controls.
Post-Implementation Review Technical Review	TBD	Program will assess whether the program's objectives have been met, document lessons learned, and plan to incorporate feedback into future efforts.
ICE and other ICE Customers (i.e., CISA, S&T, and DHS HQ) Declare Full Operational Capability and conduct Acquisition Decision Event-3 (ADE-3)	TBD	**Targeting a Mostly Addressed rating for GAO Outcome FM 8.** FSM Cube schedule will be a baselined at ADE-2B by the final Acquisition Program Baseline.
Receive System Evaluation Report and Letter of Assessment. (LOA)	TBD	The LOA includes an assessment of the adequacy of the OT&E and independent evaluation of operational effectiveness, suitability, and resilience.
Conduct Operational Test and Evaluation (OT&E)	TBD	Assesses Operational Effectiveness and Suitability of the system.
Conduct Operational Test Readiness Review (OTRR)	TBD	Conducted prior to the commencement of Operational Test and Evaluation (OT&E) to determine whether the system and required operational test participants are ready to enter OT&E.
Declare Initial Operational Capability (IOC) for remaining ICE Customers (i.e., CISA, S&T, and DMO)	TBD	Attests that the system meets all IOC criteria as defined in Cube FSM Operational Requirements Document.
Remaining ICE Customers (i.e., CISA, S&T, and DMO) go live.	TBD	The To Be system for remaining ICE Customers will become operational.

OUTCOME ACTION PLAN		
Actions	**Projected Date**	**Reason for change/notes**
Remaining ICE Customers (i.e., CISA, S&T, and DMO) Conduct Production Readiness Review (PRR) and Acquisition Decision Event-2C (ADE-2C).	TBD	Component will present documentation to support that the solution is ready for deployment and support.
Remaining ICE Customers (i.e., CISA, S&T, and DMO) Data conversion and migration	TBD	Data will be incorporated from old to new system.
Remaining ICE Customers (i.e., CISA, S&T, and DMO) Training	TBD	End users will receive new system and business process training.
Remaining ICE customers (i.e., CISA, S&T, and DMO) User Acceptance Test and acceptance.	TBD	End users will test and accept system software based on their requirements and approved test plans.
DHS completes configuration and interfaces for remaining ICE Customers (i.e., CISA, S&T, and DMO).	TBD	System provider will configure system software to meet requirements.
Declare Initial Operational Capability (IOC) for ICE	TBD	Attests that system meets all IOC criteria as defined in Cube FSM Operational Requirements Document.
ICE go live.	TBD	The To Be system for ICE will become operational.
ICE Conduct Production Readiness Review (PRR) and Acquisition Decision Event-2C (ADE-2C).	TBD	Components will present documentation to support that the solution is ready for deployment and support.
ICE Data conversion and migration.	TBD	Data will be incorporated from old to new system.
ICE Training.	TBD	End users will receive new system and business process training.
ICE User Acceptance Test and acceptance.	TBD	End users will test and accept system software based on their requirements and approved test plans.
DHS completes configuration and interfaces for ICE.	TBD	System provider will configure system software to meet requirements.
USCIS completes migration of their financial management systems.	TBD	**Targeting a Partially Addressed rating for GAO Outcome FM 8.** 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 new financial management system.

OUTCOME ACTION PLAN		
Actions	**Projected Date**	**Reason for change/notes**
Declare Initial Operational Capability (IOC) for USCIS	TBD	Attests that system meets all IOC criteria as defined in Cube FSM Operational Requirements Document.
USCIS go live.	TBD	The To Be system for Component will become operational.
USCIS Conduct Production Readiness Review (PRR) and Acquisition Decision Event-2C (ADE-2C).	TBD	Component will present documentation to support that the solution is ready for deployment and support.
USCIS Data conversion and migration.	TBD	Data will be incorporated from old to new system.
USCIS Training.	TBD	End users will receive new system and business process training.
USCISUser Acceptance Test and acceptance.	TBD	End users will test and accept system software based on their requirements and approved test plans.
Integration Readiness Review and System Integration Test Readiness Review	TBD	Conducted prior to the commencement of formal integration testing to determine whether adequate developmental test and evaluation planning and adequate test resources are available to support System Integration Testing.
DHS completes configuration and interfaces for USCIS.	TBD	System provider will configure system software to meet requirements.
Conduct Acquisition Decision Event-2B (ADE-2B) and Software Preliminary Design Review (SPDR).	TBD	Review completion of system design and finalized program planning artifacts supporting final acquisition program baseline prior to implementation. Conducted to ensure program is resourced to execute the program plans, that the program has established a preliminary design, and that the program/project is affordable at the time of the decision. Ensures that the program has a performance management baseline to enable monitoring and control throughout the implementation.
Complete initial system design activities.	TBD	System integrator completes initial set of system architecture and design documentation.
Perform Integrated Baseline Review	TBD	DHS and system integrator mutually understand program scope, schedule, and risks, and confirm that the baseline's budget and schedule are adequate for performing implementation.

OUTCOME ACTION PLAN		
Actions	**Projected Date**	**Reason for change/notes**
Conduct Acquisition Decision Event-2A (ADE-2A) and Program Planning Review (PPR)	September 2025	Review completion of planning artifacts to support Program Planning, Enterprise Architecture, and Acquisition Reviews for ADE-2A.
Develop Life Cycle Cost Estimate	September 2025	The program anticipates ADE-2A in the 4th quarter of FY25. An initial Life Cycle Cost Estimate, incorporating actual costs and estimated implementation and sustainment costs, will be completed in conjunction with that milestone.
Develop Test and Evaluation Master Plan (TEMP)	August 2025	Developed testing methodology supporting system implementation. The TEMP describes the program's T&E strategy in terms of the Developmental and Operational testing needed to determine system technical performance, and the strategy for evaluating the system's operational effectiveness, suitability and resilience through an integrated assessment of that developmental and operational testing. The TEMP also specifies the anticipated resources required to support all elements of the strategy.
Develop Preliminary Acquisition Program Baseline	August 2025	Set the program to the preliminary schedule and cost indexes.
Develop Systems Engineering Life Cycle Tailoring Plan (SELC-TP)	August 2025	This plan tailors the phases, products and reviews in the SELC to meet the specific needs of the program and projects.
Complete discovery workshops.	July 2025	System integrator engages Cube Component customer subject matter experts in agreeing on system design requirements.
Develop Test and Evaluation Strategy	May 2025	Develop testing methodology supporting system implementation.
Stand up and configure demonstration system.	March 2025	Assess the degree to which standard application functionality support business processes and the types of configurations needed to fully implement requirements.
Select the system integrator.	January 2023	**Completed September 2023.** Changes to procurement schedules to maximize alignment between the FEMA and ICE modernization projects. Award protest sustained, pending corrective action.
Select the software.	October 2022	**Completed January 2023.** A task order was awarded in November 2022. A protest was resolved in January 2023.

OUTCOME ACTION PLAN		
Actions	**Projected Date**	**Reason for change/notes**
Award Strategic Sourcing Software Licensing vehicle.	TBD	**Completed 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	**Completed March 2021.** Enterprise Financial Systems Integrator (EFSI) vehicle was awarded November 2020, and protest resolved favorably in March 2021.

IT Management Outcome #6

Outcome Lead: Hemant Baidwan

Outcome Executive: Christopher Bartz

GAO Outcome: Enhance 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 deficiencies that contribute to the significant deficiency, as reported by the independent auditors of the Department's financial statements.
- Implementing the federal desktop core configuration on applicable devices and instances across Components, as determined by an independent assessment.
- Promptly developing remedial action plans and demonstrating sustained progress mitigating known vulnerabilities based on risk, as determined by an independent assessment.
- Implementing key security controls and activities, as independently assessed by the Office of Inspector General (OIG) or external auditor based on Federal Information Security Modernization Act (FISMA) reporting requirements.

DHS Successes: The Department of Homeland Security (DHS) Office of the Chief Information Officer (OCIO) has fully addressed five of the six outcomes for information technology (IT) and has made progress toward resolution of the 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.

For example, DHS has implemented a Unified Cybersecurity Maturity Model (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 (NSS). The UCMM framework has been key in guiding the resource prioritization and implementation of critical cybersecurity capabilities for the Department. More recently, UCMM has been enhanced to provide a prioritized view of the risks posed by control implementation failures for all systems in the Department. This automated risk prioritization allows for system teams and Information System Security Officers to collaborate to optimize time spent in remediating system deficiencies to provide the best achievable system maturity with the least time and expenditure. This added UCMM capability has had a direct and substantial impact on overall Department maturity, and DHS expects that trend to continue.

Based on the significant progress made by the department in maturing its cybersecurity practices, the DHS OIG has given the Department an "effective" rating for two consecutive years for the first time (FY22 and FY23)[12]. Per the draft FY 2024 OIG report, DHS is expected to sustain the "effective" rating for a third consecutive year.

In collaboration with the Office of the Chief Human Capital Officer, OCIO continues to utilize the Cyber Talent Management System (CTMS). CTMS is a mission-driven, person-focused, market-sensitive approach to hiring, compensating, and developing cybersecurity talent throughout the DHS Cybersecurity Service. With CTMS, DHS is hiring, compensating, and developing DHS Cybersecurity Service employees to work across the Department in a range of cybersecurity specializations.

[12] Office of Inspector General (OIG) Report: "(U) Evaluation of DHS' Compliance with Federal Information Security Modernization Act for Fiscal Year 2022- OIG 22-040."Evaluation of DHS' Information Security Program for Fiscal Year 2023" OIG-23-024

The DHS Cybersecurity Strategic Plan FY25-28 has played a crucial role in these successes. The plan includes a comprehensive reevaluation of processes and requirements to transform the DHS Cybersecurity Risk Management Framework through automation, technological innovation, and a reduction in the time and effort required for system security authorization decisions. This aligns with the GAO's recommendation to demonstrate measurable progress in achieving effective information system controls and reducing deficiencies that contribute to significant deficiencies. The plan emphasizes leveraging data and emerging technologies to deliver real-time risk visibility and drive proactive risk management. This includes designating and enforcing standardized cybersecurity data practices to improve visibility and address shadow IT, as well as implementing continuous monitoring that provides actionable insights, which supports the GAO's recommendation to promptly develop remedial action plans and demonstrate sustained progress mitigating known vulnerabilities.

The plan focuses on implementing comprehensive identity lifecycle management using Zero Trust practices, standardizing identity management practices to enable seamless federation of authentication and access to information across Components and systems. This supports the GAO's recommendation to implement key security controls and activities as assessed by the OIG or external auditor based on FISMA reporting requirements. The plan aims to mature the organization through community collaboration, knowledge-sharing, and involving the whole workforce in cybersecurity, enhancing collaboration and cyber intelligence sharing by integrating insights from continuous monitoring with information exchange on relevant classified enclaves.

In response to emerging threats, the plan prioritizes transitioning DHS infrastructure and practices for resilience against quantum computing threats by supporting enterprise infrastructure modernization to integrate quantum-safe technologies. This aligns with the GAO's recommendation to implement key security controls and activities as assessed by the OIG or external auditor based on FISMA reporting requirements. The plan ensures that the Department's cybersecurity posture is adaptive and resilient to the malicious use of AI and other emerging threats by establishing an integrated project team to address AI-driven attacks and implementing measures to protect systems and data.

These highlights from the DHS Cybersecurity Strategic Plan FY25-28 demonstrate the Department's commitment to enhancing IT security, addressing GAO findings, and ensuring the effective protection of its internal IT systems and networks.

GAO 2025 Outcome Rating

Initiated	**Partially Addressed**	Mostly Addressed	Fully Addressed

CURRENT STATUS
As previously agreed with GAO, 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 remediation work plan, identifying critical milestones, addressing audit risks, and reviewing mitigation strategies.

Legend for the Following Outcome Action Plan:

- Targeting a Fully Addressed Rating
- Targeting a Mostly Addressed or Partially Addressed Rating
- In Progress / Planned
- Completed

OUTCOME ACTION PLAN		
Actions	**Projected Date**	**Reason for Change/Notes**
Achieve and sustain "significant deficiency" status or less for two consecutive years (i.e. FY 2028 and 2029).	November 2029	Targeting a Fully Addressed Rating. The independent auditor will issue its report for FY 2029 in November 2029. OCIO has fully addressed five out of six outcomes. UCMM is expected to help address the sixth.
Complete actions to address five (5) recommendations contained in the OIG FY 2019 FISMA report (OIG-20-77).	Completed	OIG has closed all recommendations associated with this audit.

GAO High-Risk Ratings Summary

Summary of DHS Ratings on GAO High-Risk Outcomes and Criteria

Functional Area	GAO Outcome	2023 GAO Ratings[13]	2025 GAO Ratings[13]
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 FFMIA	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
ITM 1	Achieve Enterprise Architecture Management Maturity Framework Stage 4.	Fully Addressed	Fully Addressed
ITM 2	Achieve Information Technology Investment Management Framework Stage 3.	Fully Addressed	Fully Addressed
ITM 3	Achieve Capability Maturity Model Integration Level 2.	Fully Addressed	Fully Addressed
ITM 4	Implement IT Human Capital.	Fully Addressed	Fully Addressed
ITM 5	Adhere to IT Program Baselines.	Fully Addressed	Fully Addressed
ITM 6	Enhance IT Security	Partially Addressed	Partially Addressed

GAO Criteria	Definition	2025 GAO Ratings[14]
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

Fully Addressed or Met	Mostly Addressed or Partially Met

[13] 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. (Sources: GAO-23-106203 and GAO-25-107743).

[14] Rating definitions are as follows: **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-25-107743).