

Integrated Strategy for High-Risk Management

Strengthening Management Functions

A Biannual Update to the Government Accountability Office

March 2021



**Homeland
Security**

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Homeland
Security

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 an update to the DHS *Integrated Strategy for High-Risk Management (Integrated Strategy)*. The biannual *Integrated Strategy* outlines the Department's framework for addressing the *Strengthening Department of Homeland Security Management Functions* area on the Government Accountability Office (GAO) High-Risk List. First issued by DHS in 2011, the *Integrated Strategy* has been recognized as a best practice and is now required by statute.¹

The enclosed corrective action plans outline the steps DHS is taking to advance the remaining 13 of 30 GAO outcomes not yet rated as Fully Addressed. Collectively, the outcomes agreed to by GAO and DHS in 2010 set goals for achieving mature management functions that routinely provide high quality support to DHS mission implementation. As DHS has developed, the agency has benefited from GAO's ongoing feedback and our close partnership. The March 2021 GAO High Risk Series report to Congress acknowledges that DHS has Fully Addressed 17 of 30 GAO outcomes,² increasing from 13 in 2017 and nearly doubling the total from 2015.³ Five of the remaining outcomes are rated Mostly Addressed (i.e., progress is significant and little work remains). GAO notes that DHS has "taken actions to institutionalize" leadership commitment "to help ensure the success" of our efforts.⁴ Today, DHS is one of only two agencies remaining on the list to have met at least three of GAO's five criteria for High-Risk List removal.⁵ Taken together, this progress demonstrates the steps DHS leadership has taken to optimize oversight and mission support delivery, substantially narrowing the scope of the remaining challenges.

The difficult conditions under which the Department, and the federal government as a whole, were working at the time of our two 2020 *Integrated Strategy* reports have continued into 2021. I am extremely proud that over this last year the Management Directorate continued to provide services efficiently, effectively, and securely. The COVID-19 pandemic placed significant stress on the capabilities of our systems and personnel, which uniformly rose to the challenge. Department leadership and staff evinced the essence of GAO's criteria for High-Risk List

¹ 6 U.S.C. § 341.

² 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 179.

³ GAO, *High-Risk Series: An Update*, GAO-15-290 (Washington, D.C.: February 11, 2015), page 215.

⁴ 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 178.

⁵ *Ibid.*

removal—strong commitment to solving new problems, willingness to devote whatever resources were needed to meet the mission, and the ability to follow-through until solutions were implemented while continuously improving new processes under rapidly changing conditions.

As highlighted in my September 2020 letter, DHS remains focused on addressing the Financial Management outcomes; these are the last outcomes that are not, for the most part, Fully or Mostly Addressed. Since September 2020, the Transportation Security Administration has gone live on the new financial system. DHS also obtained its eighth consecutive unmodified financial statement opinion. While DHS had planned to clear the Financial Reporting material weakness in the fiscal year (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 reduce the Financial Reporting area of weakness associated with actuarial retirement liabilities, which totaled \$67.3 billion at the end of FY 2020 – roughly half of total DHS liabilities. In addition, the Department removed a Component from contributing to the Information Technology (IT) area of material weakness. DHS continues to believe that the state of the Department’s financial management no longer constitutes a high-risk of poor stewardship of resources, impaired service delivery, or program failure, and thus warrants strong consideration for removal from the High-Risk List.

In January 2021, GAO informed the DHS Office of the Chief Information Officer (OCIO) of their intent to downgrade IT Management Outcome 6, regarding IT security, from Mostly Addressed to Partially Addressed. The basis for this determination was primarily the DHS Office of Inspector General’s (OIG) FY 2019 Federal Information Security Modernization Act (FISMA) assessment and the FY 2020 Independent Audit report. For the reasons explained in the Department’s response to the OIG FISMA report and further discussed in meetings with GAO, DHS does not concur with GAO’s assessment. However, the DHS OCIO continues to work toward resolution of the issues raised by the OIG and the DHS independent financial statements auditor, and to enhance overall IT security.

Despite the challenges of this last year, and for the fifth year in a row, DHS saw positive Federal Employee Viewpoint Survey results. The overall DHS Employee Engagement Index increased by 4 percentage points to 66 percent and the Global Satisfaction Index increased by 5 percentage points to 61 percent. These improvements during a year when many employees were working in new and sometimes difficult environments is an indication of the commitment and resources DHS leadership has devoted to supporting employees during this time. Leadership is also evaluating the extent to which the vastly expanded use of telework and other flexibilities implemented during the pandemic contributed to increased employee satisfaction and engagement. Supporting, training, and motivating employees continues to be among top DHS leadership’s very highest priorities.


With respect to maturing the Department’s acquisition planning and coordination, the Joint Requirements Council (JRC) has become very effective at helping to identify common gap areas across the DHS enterprise and make joint requirements and commonality recommendations. For example, the JRC fostered unprecedented growth in cross-Component collaboration in areas including Countering Unmanned Aircraft Systems, Next Generation Vertical Lift, Combating Transnational Criminal Organizations, and Document and Media Exploitation.

The Office of Program Accountability and Risk Management (PARM) continues to demonstrate measurable progress in improving program compliance with the Department's established processes and policies. The Department has reduced the number of programs in breach by 50 percent since the last *Integrated Strategy* report in 2020, with only three programs currently in breach status. PARM has also continued to refine and update acquisition policies in order to ensure consistency not only across the Department, but throughout the Acquisition Lifecycle Framework. PARM's staffing initiatives continue to mature through cross-cutting Department-wide projects, specifically the development of a program staffing model and the ongoing Staffing Integrated Project Team efforts.

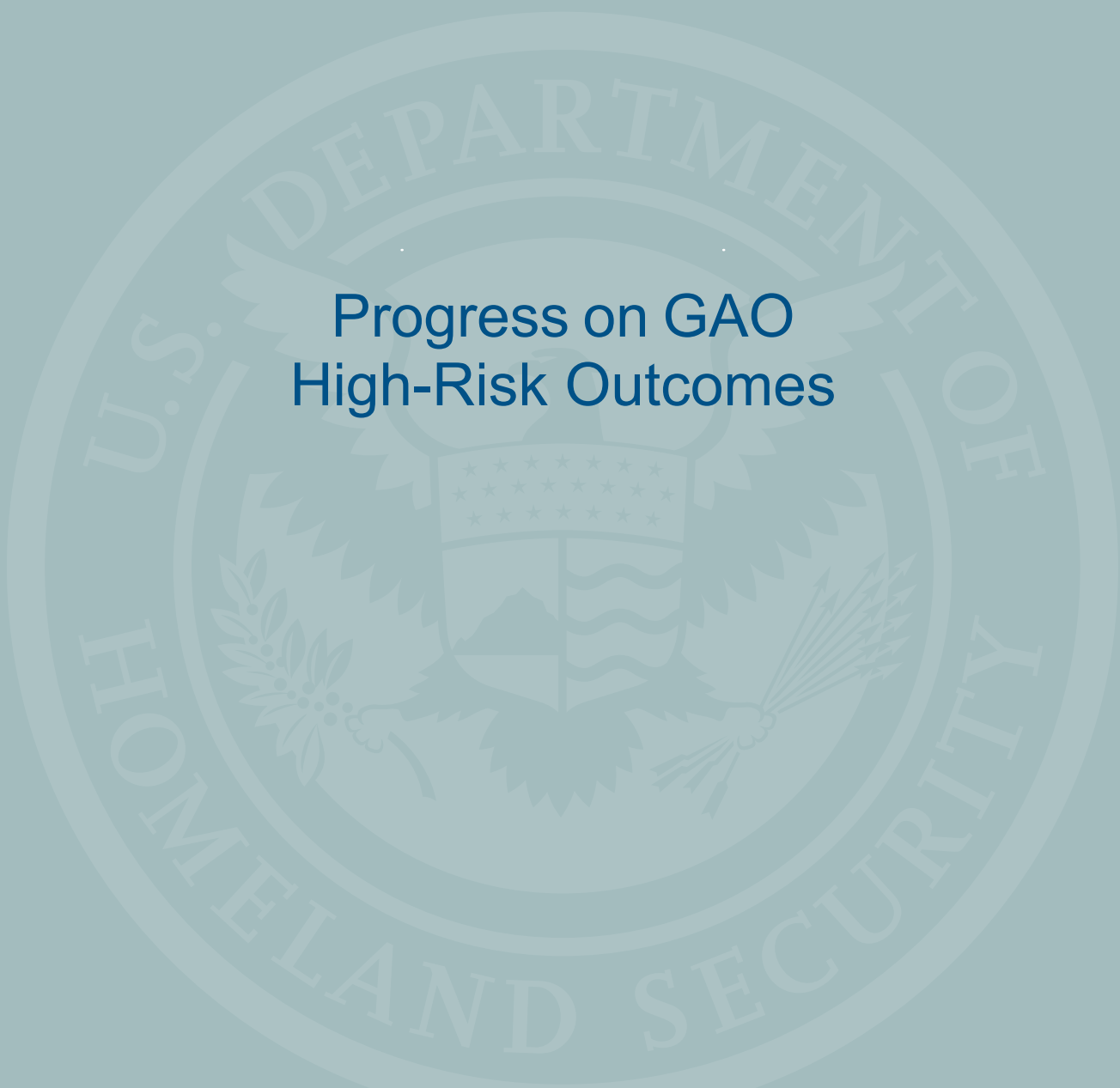
In light of the substantial progress made to date, the sustained commitment of DHS senior leadership to resolving management issues, and the narrow scope of the remaining issues in this area, DHS continues to believe it is appropriate and warranted for GAO to fully remove *Strengthening Department of Homeland Security Management Functions* from the List and combine the remaining areas that are not fully or mostly addressed into government-wide high-risk areas. We look forward to furthering this discussion with GAO and to GAO's feedback on our continued efforts to strengthen DHS management functions.

Sincerely,
RANDOLPH D
ALLES

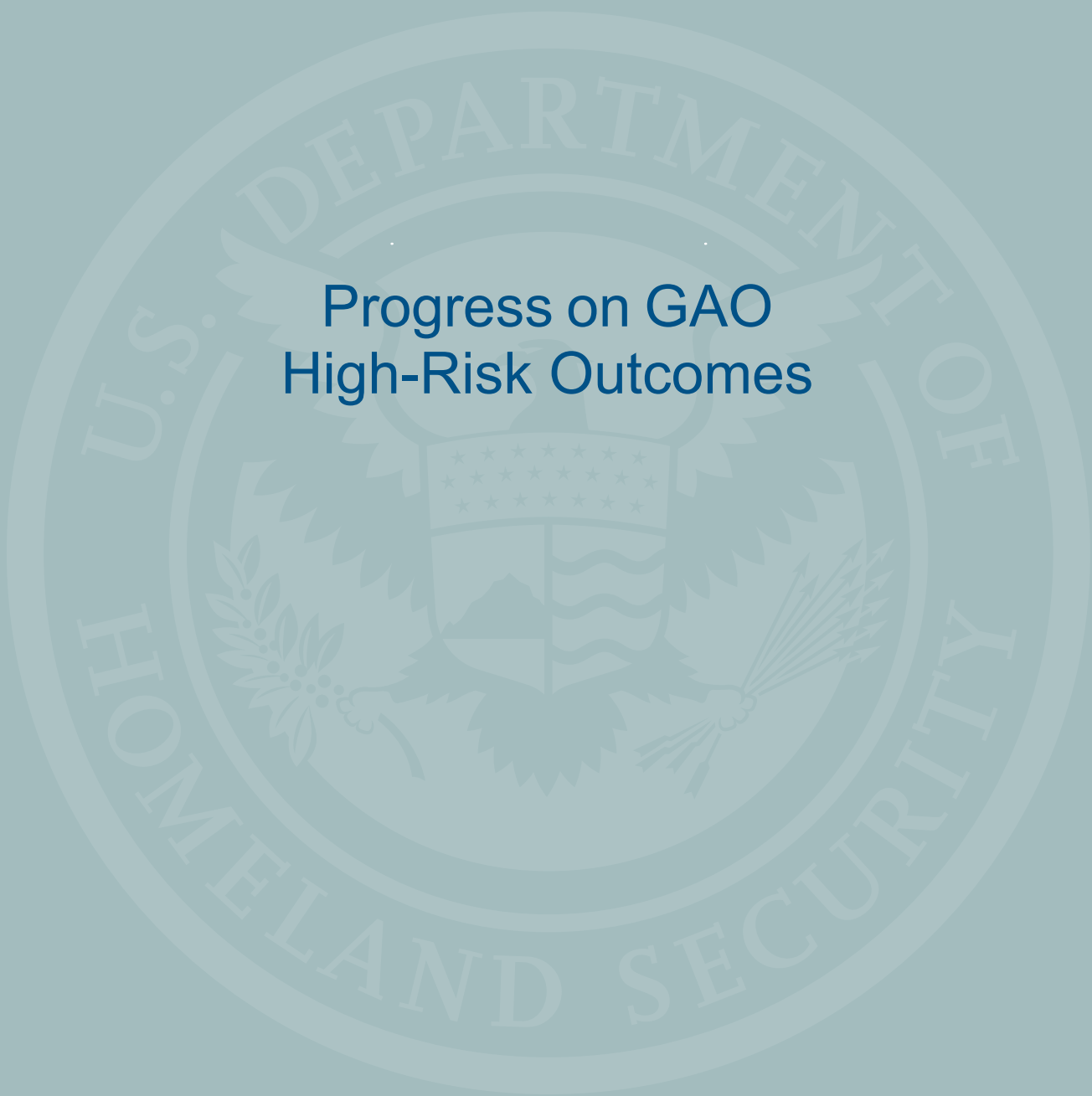
R. D. Alles
Deputy Under Secretary for Management



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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 13 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.¹

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 2021, 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	5	2	0	0
Information Technology Management	6	5	0	1	0
Acquisition Management	5	2	3	0	0
Management Integration	4	3	0	1	0
Total as of December 2020	30	17	5	5	3

The Department first issued the *Integrated Strategy* in 2011 and has maintained a practice of updating GAO twice yearly.² In general, the first *Integrated Strategy* report in each year provides updated action plans for the outcomes that have not yet achieved a Fully Addressed rating from GAO. The second report for each year includes a complete discussion of the efforts to achieve and sustain all 30 GAO outcomes.

¹ 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.

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.

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.

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 capacity to maintain an effective system of internal controls. DHS continues to make significant progress by achieving its eighth unmodified audit opinion on the 2020 DHS financial statements and related footnotes. In addition, the sustainment of a “clean” financial statement opinion for eight 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.

In FY 2020, DHS also 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.

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.

- Built clearly defined, repeatable business processes, policies, and procedures that will sustain progress in resolving deficiencies and reducing their severity;
- Implemented and measured progress against a top-down, risk-based strategy that assesses the overarching control environment both at the Department and Component levels to prevent control failures, as well as detect and fix potential failures early;
- Implemented the Internal Control Maturity Model to objectively measure each Component’s progress on obtaining a “clean” ICOFR opinion;
- Updated the FY 2021 Department-wide internal control assessment plan and the corresponding assessment procedures using a risk-based approach with qualitative and quantitative measures;

CURRENT STATUS

- Continued Deputy Secretary 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;
- Gained 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);
- Implemented continuous monitoring of progress against Mission Action Plans, identifying critical milestones, addressing audit risks, and reviewing mitigation strategies; and
- Held 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.

For FY 2021, 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 will help 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 to be addressed through assessments and adequate remediation efforts, if needed, in order to strengthen the IT internal control environment.

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	<p>Targeting a Fully Addressed rating.</p> <p>The independent auditor will issue its report for FY 2024 in November 2024.</p> <p>Adjusted date because IT deficiencies are taking longer to fix than originally anticipated.</p> <p>DHS proposes this outcome be considered Fully Addressed when no material weaknesses exist and minimal significant deficiencies remain.</p>
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.

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
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		The independent auditor will issue its report for FY 2023 in November 2023. DHS anticipates significant progress in downgrading the remaining material weakness by FY 2023 with minimal deficiency areas outstanding.
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.
DHS CFO will work with Components to assess FY 2022 audit risks and develop corrective actions.	December 2022		
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2022		Targeting a Mostly Addressed rating. The independent auditor will issue its report for FY 2022 in November 2022. DHS expects to downgrade one area of material weakness and clear one significant deficiency in FY 2022. 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 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 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 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		
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, and August 2021		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 2021		DHS CFO incrementally reviews and validates remediation steps completed by Components.
DHS CFO will work with Components to assess FY 2020 audit risks and develop corrective actions.	December 2020	January / February 2021	Partially Complete: Remediation Plans are submitted by Components in early Q2 to ensure adequate inclusion of prior FY audit findings.
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2020	November 2022	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 reduced the Financial Reporting area of weakness associated with actuarial liabilities..
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.
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2019	November 2020	The independent auditor issued its report for FY 2019 in November 2019. DHS did not meet its target to reduce one material weakness and clear one significant deficiency in FY 2019 because controls were not in place long

OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
			<p>enough to demonstrate effectiveness.</p> <p>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 reduced the Financial Reporting area of weakness associated with actuarial liabilities.</p>
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	<p>The independent auditor issued its report for FY 2018 in November 2018.</p> <p>DHS developed a comprehensive strategy and approach that will steadily work toward remediating all outstanding material weaknesses.</p>
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	<p>For FY 2017, DHS remediated one material weakness.</p> <p>DHS developed a comprehensive strategy and approach that will steadily work toward remediating</p>

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
			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	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	DHS CFO incrementally reviewed and validated remediation steps completed by Components.
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	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	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.

OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
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 (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).

GAO 2020 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 ICOFR.

The Department continues to make significant progress by achieving its eighth unmodified audit opinion on the 2020 DHS financial statements and related footnotes. In addition, the sustainment of a “clean” financial statement opinion for eight 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.

In FY 2020, DHS also 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.

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.

- Built clearly defined, repeatable business processes, policies, and procedures that will sustain progress in resolving deficiencies and reducing their severity;
- Implemented and measured 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 the Internal Control Maturity Model to objectively measure each Component progress on obtaining a “clean” ICOFR opinion;

CURRENT STATUS

- Updated the FY 2021 Department-wide internal control assessment plan and the corresponding assessment procedures using a risk-based approach using qualitative and quantitative measures;
- Continued Deputy Secretary 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;
- Gained 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);
- Implemented continuous monitoring of progress against the Mission Action Plans, identifying critical milestones, addressing audit risks, and reviewing mitigation strategies; and
- Held 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.

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	<p>Targeting a Fully Addressed rating.</p> <p>The independent auditor will issue its report for FY 2025 in November 2025.</p> <p>Adjusted date because IT deficiencies are taking longer to fix than originally anticipated.</p>
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.
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		<p>Targeting a Mostly Addressed Rating</p> <p>The independent auditor will issue its report for FY 2024 in November 2024.</p> <p>DHS proposes this Outcome be considered Mostly Addressed when all areas of material weakness have been reduced to a significant deficiency.</p>

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 2024		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 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.
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2020	November 2022	<p>Targeting a Partially Addressed Rating</p> <p>DHS proposes this Outcome be considered Partially Addressed when the Financial Reporting material weakness area is reduced to a significant deficiency.</p> <p>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.</p>
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		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 2021		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 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.

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
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.
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.¹

GAO 2020 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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CURRENT STATUS
<p>The FY 2020 independent auditor report noted that DHS has demonstrated continued progress toward compliance with FFMIA and remediated some of the conditions identified in the prior year. 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.² 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 integrated approach and strategy, is conducting the following activities:</p> <ul style="list-style-type: none"> • Requiring Components to document necessary actions to remediate 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.

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	Targeting a Fully Addressed rating.

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

² 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*.

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
			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.
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.

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		<p>Targeting a Mostly Addressed Rating</p> <p>The independent auditor will issue its report for FY 2022 in November 2022.</p> <p>DHS proposes this Outcome be considered Mostly Addressed when the Financial Reporting material weakness area is reduced to a significant deficiency.</p> <p>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 2022.</p>
Conduct quarterly risk assessments and incorporate results into Component risk management plans through recurring quarterly meetings.	December 2021; April and July 2022		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		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 2021		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 2020; April and July 2021		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 2020 through August 2021		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 2016	November 2020	The independent auditor will issue its report for FY 2020 in November 2020. 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.
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	February–December 2017	February–December 2017	Completed.

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
status of addressing audit findings, risks, and mitigation strategies.			
Assess the Department's FFMI 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 FFMI compliance and indicates a reduction in the number of Components contributing to the IT and Financial Reporting condition.	November 2016		Targeting a Partially Addressed rating. FY 2016 Independent Auditor's Report noted that DHS progressed toward compliance with FFMI 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 FFMI 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 addressing audit findings, risks, and mitigation strategies.	February–December 2016	February–December 2016	Completed.
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 FFMI 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	June 2015	June 2015	Completed.

OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
reduce weaknesses in internal control and business processes.			
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.

GAO 2021 Outcome Rating: FM 6 (USCG)



GAO 2021 Outcome Rating: FM 7 (FEMA) and 8 (ICE and ICE Customers)



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 late 2016, the Department of the Interior, Interior Business Center (IBC) informed DHS it could no longer sustain the Coast Guard’s (USCG) FSM implementation, nor could it support further engagement activities with other DHS Components, as planned. DHS and IBC agreed that preserving the investment DHS made was paramount and determined the best path forward was to move the software solution to a new hosting location or data center. DHS or the new host location would also assume operation of the system and would transition Transportation Security Administration (TSA) and USCG to the solution.

During Q4 FY 2018, the FSM solution for the Countering Weapons of Mass Destruction Office (CWMD), TSA, and USCG —referred to as the “Trio”— 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. Once configuration is complete and software has been implemented, financial and procurement operations at TSA and USCG are expected to improve.

The system integrator delivered all TSA functionality in FY 2020, and TSA went live on the solution in Q1 FY 2021. USCG is on track to transition to the solution in Q1 FY 2022.

CURRENT STATUS

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 for GAO outcomes FM 6-8 reflects the current status and timelines discussed below.

Trio (CWMD, TSA, and USCG) – FM 6:

- DHS awarded contracts for the new hosting provider in Q4 FY 2017 and system deployment vendor in Q1 FY 2018.
- DHS on-boarded a new system deployment vendor in Q1 FY 2018.
- The solution at IBC transitioned to DHS data centers in Q4 FY 2018.
- CWMD continues to use the solution, now in DHS data centers.
- DHS completed a technical refresh of the solution software in Q1 FY 2020.
- TSA successfully transitioned to the solution in Q1 FY 2021.
- USCG is scheduled to transition to the solution in Q1 FY 2022. (See *Figure 3*).

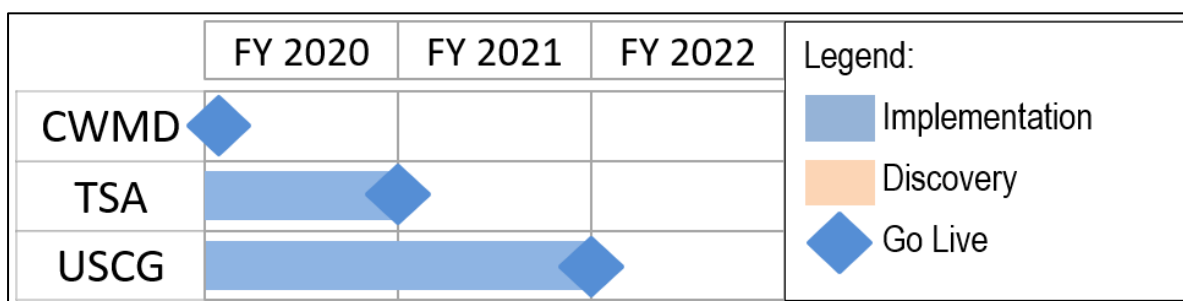


Figure 3. Planned Timeline for Trio FSM Implementation

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

- 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. In November 2019, DHS received a protest of EFiMS in the Court of Federal Claims and immediately suspended all EFiMS work. As of October 2020, the litigation was dismissed and the EFiMS source selection process was restarted, with award anticipated in FY 2021 Q3. DHS awarded EFSI blanket purchase agreements in November 2020. A protest was filed with the Government Accountability Office, which decided in favor of DHS. The EFSI BPAs are now available for use. FEMA and ICE/ICE Customers will use the EFiMS and EFSI vehicles to award task orders for software and system integration

CURRENT STATUS

services, respectively. Once task order awards are complete, detailed implementation milestones will be provided.

- 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. Further work on these programs will depend on successful component task order award(s) under the EFiMS and EFSI strategic sourcing vehicles.

OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
FM 6			
USCG completes migration of their financial management systems.	October 2021		Targeting a Fully Addressed rating for GAO Outcome FM 6.
USCG go live.	October 2021		
USCG Data conversion and migration.	October 2021		Data will be incorporated from old to new system.
USCG Training.	October 2021		USCG Training Team will receive new system and business process training.
USCG Program status review.	September 2021	October 2021	USCG will present documentation to support that the solution is ready for deployment and support.
USCG User Acceptance Testing.	September 2021		End users will test and accept system software based on their requirements and approved test plans.
USCG System Integration Testing.	June 2021		Systems Integrator will test and accept system software based on their requirements and approved test plans.
DHS completes configuration and interfaces for USCG.	December 2020	March 2021	Some Interface and RICEW development work has been extended, but is still on schedule to be complete prior to System Integration Testing
TSA completes migration of their financial management systems.	October 2020	October 2020	TSA migration is complete.
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

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
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.
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	

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
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		Targeting a Fully Addressed rating for GAO Outcome FM 7.
FEMA go live.	TBD		Component will present documentation to support that the solution is ready for deployment and support.
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		
Select the software.	TBD		
Strategic Sourcing Software Licensing vehicle.	TBD	Q3 FY2021	Litigation of the EFiMS RFQ resolved. IDIQ contracts to be awarded upon successful completion of source selection.
Strategic Sourcing System Integration (SI) vehicle.	Q2 FY 2020	March 2021	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		Targeting a Fully Addressed rating for GAO Outcome FM 8.
ICE and other ICE Customers 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
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.
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		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 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		
Select the software.	TBD		

OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Strategic Sourcing Software Licensing vehicle.	TBD	Q3 FY 2021	Litigation of the EFIMS RFQ resolved. IDIQ contracts to be awarded upon successful completion of source selection.
Strategic Sourcing System Integration (SI) vehicle.	Q2 FY 2020	March 2021	Enterprise Financial Systems Integrator (EFSI) vehicle was awarded November 2020, and protest resolved favorably in March 2021.

Human Capital Management Outcome #6

Outcome Lead: Alisa Green

Outcome Executive: Clothilda Taylor

GAO Outcome: Federal Employee Viewpoint Survey (FEVS) – Improve the Department’s scores on the Office of Personnel Management’s (OPM) Federal Employee Viewpoint Survey within the four Human Capital Assessment and Accountability Framework indices: (1) leadership and knowledge management; (2) results-oriented performance culture; (3) talent management; and (4) job satisfaction.¹

2021 GAO Outcome Rating



CURRENT STATUS

The Department must continue its progress improving employee engagement scores on the FEVS in order to advance to Fully Addressed. The Department’s action planning cycle was delayed by the COVID-19 pandemic crisis, as the administration of the 2020 FEVS was substantially delayed. In the interim, the DHS Office of the Chief Human Capital Officer has been formulating written action planning guidance, which will be finalized and provided to DHS Components in March, 2021. This guidance integrates best practices outlined by OPM, as well as feedback from GAO provided through audit engagement GAO-21-204, “DHS Employee Morale: Some Improvements Made, but Additional Actions Needed to Strengthen Employee Engagement.”

The 2020 FEVS results show that DHS continues to experience improvements, as evidenced by a sustained increase in scores that began in 2016:

- From 2015 to 2020, the overall DHS employee engagement score increased a total of thirteen percentage points, a sustained trend that brings the score well above the previous high score of 61 percent in 2010.
- In 2020, the Department’s overall FEVS Employee Engagement Index (EEI) score was 66%, an increase of four percentage points over last year. The Global Satisfaction Index increased five percentage points, from 56% to 61%.
- For DHS overall, positive FEVS scores increased on all core items in 2020.
- EEI scores increased in 2020 in all DHS Components except USCIS, which despite announcing a possible extended agency-wide furlough immediately before survey administration, still had a relatively strong EEI of 71%.

¹In November 2018, GAO agreed to benchmark against the Employee Engagement Index (EEI) rather than the Human Capital Assessment and Accountability Framework (HCAAF) indices since the HCAAF had been sunsetted by the Office of Personnel Management.

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Receive 2021 FEVS results.	September 2021	March 2022	Targeting a Fully Addressed rating. DHS sustains improved FEVS scores. OPM has indicated the 2021 FEVS will likely be administered in the same timeline as the 2020, launching in September rather than May.
Components update employee engagement action plans in response to 2020 FEVS results.	April 2021	October 2021	Delay in receipt of FEVS results, new action planning guidance
Continued cycle of communication and Component employee engagement action plan implementation.	October 2020	February/March 2021	
Receive 2020 FEVS results.	September 2020	January/February 2021	FEVS was delayed by OPM due to COVID-19 pandemic crisis
Components update employee engagement action plans in response to 2019 FEVS results.	April 2020	July/August 2020	
Continued cycle of communication and Component employee engagement action plan implementation.	October 2019		
Receive 2019 FEVS results.	September 2019	December 2019	Achieved a Mostly Addressed rating. DHS sustained improved FEVS scores.
Components updated employee engagement action plans in response to 2018 FEVS results.	April 2019		
Continued cycle of communication and Component employee engagement action plan implementation.	October 2018		
Received 2018 FEVS results.	August 2018	August 2018	DHS sustained improved FEVS scores.

Human Capital Management Outcome #7

Outcome Lead: Tyler Maxey/Neil Singh

Outcome Executive: Clothilda Taylor

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.

GAO 2021 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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CURRENT STATUS
<p>To advance to Fully Addressed, it is the Department’s understanding that evidence must be provided to GAO that reflects (1) continued implementation and sustainment of the DHS rotation policy; (2) continued implementation of, and updates to, the DHS Workforce Development Plan (WDP); (3) continued annual reviews of Component training plans to ensure compliance with DHS policy; and (4) the use of DHS-wide training data to inform human capital programs is institutionalized.</p> <p>The Department implemented Performance and Learning Management System (PALMS) capabilities in select Components to enhance the accessibility and comparability of DHS training data.¹ While PALMS serves a majority of DHS, it is not the sole enterprise solution for learning management. The Department will continue to leverage PALMS into fiscal year 2020 to allow time for the selection and implementation of follow on talent development and training capabilities for DHS. In addition, the 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.</p> <p>The action plan that follows outlines the steps DHS is taking to address the requirements GAO has communicated, summarized above, for achieving and sustaining a Fully Addressed rating for this outcome.</p>

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Revise and update the Rotation Program Directive and Instruction to ensure alignment with current federal regulations and detail guidance.	September 2021		Targeting a Fully Addressed rating.

¹ 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.

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Quarterly reporting of DHS-wide training data presented to DHS Chief Learning Officers Council	August 2021		Targeting a Fully Addressed rating.
Validate data with DHS Components and develop initial DHS-wide training data report. Present initial training data report to the DHS Chief Learning Officers Council.	June 2021		Targeting a Fully Addressed rating.
Finalize and implement DHS Workforce Development Plan FY2021-2024	April 2021		Targeting a Fully Addressed rating. Delayed due to competing priorities within components during the pandemic, will integrate input from component training plans to ensure information is factored into setting focus areas.
Review of DHS Component Training Plans per DHS policy	March 2021		Completed
Rotations Program quarterly meetings to provide program updates and gather information from component representatives	February 2021		Completed
Create 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	Completed
Develop data reporting dashboard to display and analyze current DHS training data.	November 2020	April 2021	Targeting a Fully Addressed rating. Delayed due to employee turnover and software requirements needed to produce the data dashboard tables.
Conducted annual review of Component compliance with implementing the DHS Rotation Program.	December 2019		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	

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Conducted annual review of Component compliance with DHS training policy.	December 2018	June 2019	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
Provided GAO with evidence of PALMS sustainment.	December 2018		PALMS is operational and metrics are published monthly to demonstrate usage.
Provided evidence reflecting implementation of the DHS Rotation Program.	September 2018	December 2018	Provided in December 2018.
Provided evidence reflecting implementation of the FY 2018–2019 Workforce Development Plan.	September 2018	August 2018	Provided in August 2018 and June 2019.
Assessed Component compliance with DHS training policy.	December 2017	December 2017	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	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	PALMS is currently deployed to designated Components.
Issued the Rotations Directive and Instruction.	September 2016	August 2016	Issued August 2016.
Provided evidence that gap analysis results are being used to improve knowledge, skills, and abilities.	September 2016	September 2016	Provided in September 2016.
Tracked compliance through the Human Resources Operations Audit.	December 2015	August 2015	Incorporated leadership development and training items.
Issued the Workforce Development Plan and implemented planned actions.	September 2015	October 2015	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	Issued September 2016.

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Issued the guides for Components and conducted assessments.	July 2015	April 2016	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

IT Management Outcome #6

Outcome Lead: 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.

GAO 2021 Outcome Rating



CURRENT STATUS

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.

In January 2021, GAO informed DHS Office of the Chief Information Officer (OCIO) of their intent to downgrade this outcome from “mostly addressed” to “partially addressed” based on the results of the Office of the Inspector General’s (OIG) FY 2019 Federal Information Security Modernization Act (FISMA) assessment and the FY 2020 Independent Audit report. For the reasons explained in the Department’s response to the OIG and further discussed in meetings with GAO, DHS OCIO does not concur with GAO’s assessment. However, DHS OCIO continues to work toward resolution of the issues raised by OIG and the auditor, KPMG.

DHS is taking several steps to address the issues noted in the FISMA assessment and the independent auditor report. Specifically, the DHS Chief Information Security Officer (CISO) has held meetings with the Department of Defense (DoD) and the USCG CIOs to discuss USCG’s FISMA reporting through DoD. Action items from this meeting include developing a project plan and approach for the DHS OCIO’s increased involvement in oversight of USCG systems. The CISO has also led meetings with the Federal Emergency Management Agency (FEMA) CIO and CISO to discuss FEMA’s progress, and to identify support from Headquarters and steps that FEMA is taking to improve its information security environment. The CISO will continue to meet with FEMA on a regular basis throughout the year.

CURRENT STATUS

The CISO also held a meeting with KPMG to foster greater information flow earlier in the audit process and provide a forum for developing an enterprise view of risk across systems vice system by system. KPMG and the CISO have agreed to have routine communications during this year's audit.

The CISO will meet with the OIG regarding the FY 2021 FISMA assessment once that assessment begins. In November 2020, the OIG issued its FY 2020 FISMA Cyberscope report that includes preliminary results for the FY 2020 FISMA assessment. In the Cyberscope report, OIG noted an improvement in DHS's FISMA rating giving the Department overall rating of "Effective." This rating was earned due to DHS achieving a maturity level of "Managed and Measurable" for three out of five functions, and demonstrates improvements in the Department's information security program. DHS will continue to address the deficiencies that the OIG noted in the two FISMA functions that were not rated as "Managed and Measurable."

DHS continues enhancing the security of the Department's internal IT systems and networks in the following ways:

Internal Controls

- Expanded the IT internal control program, which is a joint effort by the DHS CIO and the Chief Financial Officer (CFO), 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.
- Gained commitment from Component CFOs and CIOs that contribute to the Department's outstanding material weaknesses to achieve annual Department-wide audit and Internal Controls over Financial Reporting (ICOFR) performance goals (commitments are required as an element of each Component's CFO and CIO performance plans.)
 - Conducted annual Internal Control, Risk and Systems training in coordination with CFO. The purpose of the training is to assist Components in identifying and assessing risk that related to processes, as well as, IT to help ensure that Components can incorporate adequate risk response and internal control. The training was held February 13, 2020, however, in FY 21 the training is now held quarterly.
- Continued to hold Component IT security status meetings. The overall improvements in DHS IT security posture were the direct result of these meetings. During FY 20 and continuing into FY 21 these executive-level meetings have been held with the following components:
 - Federal Emergency Management Agency (FEMA)
 - U.S. Secret Service (USSS)
 - U.S. Coast Guard (USCG)
- Issued the Fiscal Year (FY) 2020 DHS Information Security Performance Plan to include new FISMA requirements and refine metrics to strengthen the Department's security posture.

Continuous Monitoring

- Performed Information Security Continuous Monitoring (ISCM) for the Homeland Security Data Network (HSDN). All other networks are either isolated local area networks (LANs) with no external connectivity or standalones.

CURRENT STATUS

- Due to the 2019 Novel Coronavirus (COVID-19) office closures and manpower shortages, HSDN has been satisfying continuous monitoring reporting activities through scans, updates, and configuration management activities.
- DHS CISO is looking to revitalize the National Security Systems (NSS) scorecard reporting during the 2021 calendar year.
- Provided the Department with the ability to use a consensus-based, interoperable toolset to manage our endpoints, user, access, and incidents within our environment to present a holistic situational awareness across the agency. The advancement in tools provides the Department with enhanced oversight and management of cybersecurity. All CDM Phases are being centrally managed through the OCIO CDM-PMO in collaboration with the Components & in partnership with DEFEND-A. The DHS CIO's decision to leverage PMO resulted in a cost reduction of \$23.1M by eliminating license fees, and an additional \$106M savings over GSA listed prices:
 - Focused the CDM program on Tenable, Tanium, and ForeScout tool integration for Phase I to improve the connection and transmission of Component CDM data to the Enterprise enclave.
 - Implemented Phase II Identity and Access Management (IAM) for USER, TRUST, and CRED (UTC) data of Components active end users into the central DHS SailPoint instance and successfully completed Limited Production Implementation (LPI) by ingesting the OIG UTC 796 active account users with a total of 448,128 active user accounts for all DHS Components.
 - Implemented Phase III Incident Response Reporting (IRR) capability within U.S. Customs and Border Protection (CBP) and ICE 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 thirty-three (33) Cybersecurity Analysts as Swimlane Certified Security Orchestration, Automation and Response (SOAR) Administrators/Developers for DHS.
 - Successfully migrated all Components Splunk environments into and existing Enterprise Security Operations Center (ESOC) environment to reduce cost, time, and increase capacity and accuracy of Components' CDM data.
 - Set a new, "Go to Green" strategic direction to improve endpoint counts. As of September 30, 2020, there are 281K endpoints. This was an effort through the CDM program to get enterprise Endpoints reporting to SPLUNK and Agency dashboard. This increased visibility from ~40k endpoints to over ~280k endpoints in the past year. Additionally, this action optimized component tool configurations to produce more complete data records. The Headquarters (HQ) CDM team worked with each Component to develop specific go-to-green plans to target unique data ingest errors.
 - Achieved 10 of 11 Components reporting to the DHS Dashboard; although the Cybersecurity and Infrastructure Security Agency (CISA) is the exception, their endpoint(s) are with the Management Directorate (HQ component) cybersecurity system until the new CISA network is fully operational as targeted 2nd Quarter FY21. The plan to achieve CDM capabilities is initiated in the first quarter of this FY.
- 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

CURRENT STATUS

Assurance Compliance System (IACS), reflected on the FISMA Weakness Remediation Scorecard.

- Performed DHS Weakness Remediation Reviews to provide assurance that Components are continuously monitoring their risk and remediating weaknesses for DHS's Weakness Remediation Review process. If weakness cannot be remediated within 30 days of identification, a POA&M must be created in IACS to be tracked and managed.
- Performed POA&M Quality Reviews to provided assurance that POA&Ms are created and managed in accordance with the DHS Process Guide for POA&Ms, Attachment H, of the DHS 4300A Sensitive Systems Handbook and the FY 2021 Information Security Performance Plan (ISPP) requirements. The supplemental guide describes the core process for remediating control deficiencies in Sensitive But Unclassified DHS Information systems. The POA&Ms must include the required details to describe the issue, the milestones associated, severity, identification source, point of contact, scheduled completion date, funding, risk elements – at a minimum.
- Performed an extra layer of review over CFO Designated Systems POA&Ms to ensure Components and system personnel are taking appropriate steps to remedy identified findings from the annual DHS Financial Statement Audit.
- Developed a DHS Cybersecurity Risk Management Plan that, among other features, will establish cybersecurity risk tolerance levels based on an objective measure of DHS Component or portfolio risk. CISA reviewed the draft plan in August 2020 at the request of the Office of Management and Budget. CISA's comments were incorporated into the existing draft strategy in September 2020. The strategy focuses on improving protection measures to reduce the likelihood of losses due to cyber incidents. The plan includes alignment to MITRE Corporations Attack Techniques, Tactics and Common Knowledge (ATT&CK), which outlines protective strategies for adversarial techniques used to breach systems and disrupt services.

Acquisitions

- Worked across the Department to embed cybersecurity within the DHS Acquisition Lifecycle Framework (ALF). DHS CISO worked in conjunction with DHS Program Accountability and Risk Management (PARM) and DHS Science and Technology (S&T) to develop the DHS Instruction 102.01.012 – *Cybersecurity Through the Acquisition Lifecycle* Framework, finalized on July 17, 2020. DHS CISO and PARM are establishing “roadshows” with DHS Components to discuss implementation of the Instruction 102-01-012. Commencement of the roadshows are projected to begin at the end of the 3rd Quarter FY21.

Organizational Structure

- To increase efficiencies and consolidate functions, moved the Cybersecurity Operations Center (also known as the ESOC), from the Chief Information Security Officer Directorate (CISOD) to the Information Technology Operations Directorate (ITOPs). This allowed the CIO to align like network and security operations capabilities into a single CIO Directorate, ITOPs.
- Realignment enabled the creation of the Network Operations Security Center (NOSC) by combining network and security operating entities into a single cohesive unit, thus allowing for real-time operational network monitoring, intrusion detection, and perimeter defense across the enterprise; decrease in performance and security incident response times; and a potential for cost avoidance in the reduction of duplicate

CURRENT STATUS

operational functions. In addition, the DHS NOSC continues to close visibility gaps, setup enhanced monitoring of cloud connections, and increase storage of logs necessary for investigations.

- The DHS NOSC is taking a lead role in coordination and information sharing amongst the DHS Component Security Operations Center (SOC)s, USCG Cyber Command and other government agencies, which is strengthening the Department’s operational security posture through the enhanced cooperation of .gov and .mil network defenders.

SOC Optimization

- Continued the SOC Optimization initiative to heighten NOSC visibility, unify incident responses, introduce a shared services model, and improve overall communication between Components. SOC Optimization will be pursued through the Cybersecurity Service Provider (CSP) Assessments of Component SOCs and Network Operations Centers (NOC) in addition to the SOC Network Visibility working group. The DHS SOC Optimization will enable greater visibility, efficiency, and integration without sacrificing the autonomy and mission expertise unique to each Component SOC.
- Established a directive on August 14, 2019 mandating a review of SOC Capabilities.
 - Formed a CSP Program and established the DHS CSP Program Management Office (PMO) in August 2019. The DHS CSP PMO oversees all aspects of the DHS CSP Program for DHS and all DHS Components, under the oversight of the DHS CISO Council. Under this mandate, all DHS Components must participate in the CSP Assessment Process. The contracts Integrated Project Team, which is inclusive to this pursuit, established a vendor assessment framework that ensures vendors are assessed fairly and consistently. Additionally, the framework was approved by the Office of the Chief Procurement Officer (OCPO) and may also be leveraged for future procurement actions.
 - Assessed all Component SOCs under the CSP program. CSP assessments were completed in September 2020. U.S. Immigration and Customs Enforcement (ICE), Transportation Security Administration (TSA), FEMA, and ESOC achieved Center of Excellence (COE) accreditation. Component SOC who are deemed COE can provide services to other Components.
 - Delayed the assessment schedule due to COVID-19 office closures. The TCSP team demonstrated resiliency and the ability to adapt to the changing environments by reworking the methodology to support remote assessments due to the pandemic and the onsite assessment has shifted to fully remote.

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	<p>Targeting a Fully Addressed rating.</p> <p>The independent auditor will issue its report for FY 2025 in November 2025.</p> <p>Adjusted date because IT deficiencies are taking longer to fix than originally anticipated.</p>

OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Complete actions to address five recommendations contained in the OIG FY 2019 FISMA report (OIG-20-77)	Q1 FY 2022	September 2021	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 recommendations contained in the OIG FY 2018 FISMA report (OIG-19-60).	Q4 FY 2019	September 2019	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	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	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	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	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	Sustain a Mostly Addressed rating. 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.

GAO 2021 Outcome Rating:



CURRENT STATUS

In a 2016 review, GAO found the JRC’s approach to be generally sound.¹ 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 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. The JRC continues to operate effectively, benefiting DHS by:

- 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 Document and Media Exploitation (DOMEX);
- Informing enterprise investment processes, such as Program and Budget Reviews, 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

¹ 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

- 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 380 requirements documents (as of January 2021).
 - 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 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.
 - JRC is sponsoring development of the Counter-Unmanned Aircraft Systems (C-UAS) J-MNS and J-NMCR. This endeavor includes USCG, CBP, Transportation Security Administration (TSA), and Federal Protective Service as signators, as well as participation from U.S. Secret Service, ICE, Management Directorate and Science & Technology Directorate.

Identifying Capability Gaps:

- Identified over 372 capability gaps, along with mission needs and operational requirements to inform capability development and Research and Development (R&D) investments (as of January 2021).
- Established the DHS Capability Gap Register (CGR) to provide a dataset of validated capability gaps to inform R&D investments. Analysis and prioritization of CGR Gaps informed FY22-26 budget decisions and will inform FY23-27 budget submissions.

Driving Collaboration and Integration:

- Established JRC Director membership on the DHS C-UAS ESC.
- 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) that captures enterprise C-UAS capability gaps and will guide requirements development at specific covered facilities and assets.
- 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.

CURRENT STATUS

- 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 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 reflect continued program evolution and completed JRIMS with validation and endorsement in August 2020.
- Operational demos were promising. During STORM FORCE 2018, both CBP and USCG aircraft shared real time data with CBP's Air and Marine Operations Center, USCG's Maritime Intelligence Fusion Center, and the U.S. Department of Defense (DoD), reflecting unprecedented levels of interoperability and commonality.
- 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 a major, truly joint DHS aviation program.
 - A joint NGVL CAR has been drafted and is expected to go through the JRIMS process in Spring of 2021.
- Assisted S&T in obtaining FY20 funding for multiple joint requirements development efforts: DOMEX, C-UAS, Immigration Data Integration Initiative, DHS Readiness Reporting, National Vetting Center, and NGVL.
- 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) entered JRIMS for Department-wide review in February 2021.

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 Department Issue Teams. The Strategic Review is a process that examines Components' RAP submissions and informs the Resource Allocation Decision.
- Informed DHS enterprise processes as a key stakeholder in PBR, R&D, and ARBs.

CURRENT STATUS

Developing and Providing Training:

- Trained over 2,220 users in four operational requirements concepts: Overview; Core Concepts; Developing and Managing DHS Requirements; and Knowledge Management/Decision Support (KM/DS) (as of January 2021).
- 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 six virtual instructor led courses and anticipates delivering two more during the remainder of FY21.
- Established the DHS Requirements Management (RM) Specialization within the Technology Manager Acquisition Certification. This specialization is designed to improve and standardize requirements management knowledge, skills and abilities across the Department. There are now 20 requirements personnel in the Department with this specialization.
- 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, seven offerings have been held thus far (as of January 2021) with two more to be held in the remainder of FY 2021.

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;
- Continued to work 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 chartered to identify commonalities across cybersecurity information sharing and analysis capabilities;
- Continued 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	September 2018	March 2022	Targeting a Fully Addressed rating.

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/ Adjusted Date(s)	Reason for Change/Notes
implementing a process where operational requirements are integrated into processes for prioritizing investments.			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.	Ongoing	Ongoing	As of January 2021, trained 2220 users in operational requirements JRIMS Overview, Core Concepts, Developing and Managing DHS Requirements, and KM/DS.
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.	Ongoing	Ongoing	All operational requirements are validated before acquisition decision events. As of January 2021, JRC analyzed and validated more than 380 requirements documents.
Fully implemented a process to ensure operational requirements are the foundation for R&D.	September 2018	July 2018	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 will inform FY23-27 budget submissions.
Fully implemented the KM/DS Tool.	September 2016	June 2017	Complete.
Incorporated decisions from the JRC process to inform the FY 2018 RAD.	September 2016	May 2017	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	Achieved Mostly Addressed Rating 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	Complete.
Approved JRIMS directives and instruction manual.	January 2016	March and April 2016	The JRC/JRIMS directive was signed on March 9, 2016 and the manual on April 21, 2016. The first JRIMS manual

OUTCOME ACTION PLAN

Actions	Projected Date	Actual/ Adjusted Date(s)	Reason for Change/Notes
			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	The JRC informed the FY 2017 RAD.
Achieved initial operating capability.	July–August 2015	August 2015	The JRC has achieved initial operating capability, which is evidenced by the JRIMS process execution.
Approved JRC charter.	November 2014	November 2014	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.

GAO 2021 Outcome Rating



CURRENT STATUS

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

Staffing Gap Analysis and Tracking:

- In September 2020, the Office of Program Accountability and Risk Management (PARM) delivered a comprehensive staffing analysis report to the Deputy Under Secretary for Management (DUSM) and provided recommendations to programs on efforts to mitigate critical staffing gaps. The recommendations were: Improve Staffing Definitions, Create a Predictive Staffing Model, Develop Acquisition Specific Training, Improve Acquisition Program Staffs' Certification Compliance Rate, Establish a DHS Acquisition Career Management Program, Fill Vacancies Using All Existing Hiring Authorities, and Develop Communication Channels.
- DHS Major programs continues to better identify their acquisition staffing needs and staffing gaps. This allows the Components and Department to prioritize and focus on addressing staffing gaps and challenges.
- PARM provides routine quarterly summaries of critical staffing gap status to Component Acquisition Executive (CAE) Council.
 - The FY 2020 critical staffing gaps summaries showed that 68% of the critical gaps in FY 2020 had been addressed as of May 2020;
- Continued reviewing 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:

- In January of 2020, implemented the new staffing plan format and requirements with Components.
- PARM worked directly with CAE staffs and programs to develop and reviewed 48 staffing plans before they were finalized and submitted.
- The 2021 review/analysis will begin in May 2021.
- On 26 Jun 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, the DHS Acquisition Workforce Staffing Lexicon status was presented. The members were notified that a

CURRENT STATUS

newly revised staffing terminologies would be sent out mid-November for adjudication. PARM is currently working with the DHS Data Governance Office to vet, finalize and publish the staffing terminologies and definitions onto the DHS Staffing Lexicon and DHS Acquisition Management Lexicon Glossary.

- 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 February 2021, DHS has increased program manager certification compliance across all Level 1 and 2 programs from 69% to 98% since January 2013.
- Continued participation 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.
- Issue approximately 2,700 certifications annually across ten acquisition disciplines with over 45,000 awarded since the certification program began in 2006. In FY 2020, 2,757 certification requests were approved. There are currently 15,618 acquisition certifications held within DHS as of FY 2021 Q1.
- Completed a pilot Acquisition Program Management Leadership Development Challenge Program in July 2020 in coordination with the ICE CAE, with four participants from ICE and two from PARM. The program is designed to cultivate acquisition program management professionals and prepare them for increasing responsibilities in the DHS acquisition program management discipline. After collecting feedback from the Leadership Development Challenge, PARM is teaming with the Homeland Security Acquisition Institute (HSAI) to implement lessons learned for the DHS Acquisition Community. DHS is planning to increase the senior leadership engagement with future class participants, incorporate existing ARB/ART training, and coordinate site visits/meetings during high level HSAI courses. In addition, PARM and HSAI plan to provide experienced-based training scenarios.
- The Education, Development, Growth and Excellence Mentoring Program kicked-off the FY 2021 season with its largest cohort to date. 112 participants represent 14 organizations Department-wide. Cohort members are geographically located across the nation with some located as far away as Puerto Rico. The program has graduated 266 participants since inception in 2015.
- Fielded a DHS Digital IT Acquisition Program (DITAP) Alumni Group and Community of Practice to help share DITAP knowledge across the DHS acquisition

CURRENT STATUS

community. The series of DITAP Learning Events are designed to connect and develop DHS acquisition professionals in the digital service community and have been very popular, with offerings attracting over 100 participants.

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	Targeting a Fully Addressed rating. 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		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	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	DHS Instruction 102-01-006, Acquisition Program Management Staffing, was promulgated on December 2, 2016 and new requirements piloted in 2017.
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	Complete.

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Reviewed Component staffing plans and assessed completeness and accuracy.	January 2016–February 2016	May 2016	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	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	Achieved a Mostly Addressed rating. 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.

GAO 2021 Outcome Rating



CURRENT STATUS

The Department continues to seek additional clarity from GAO on the specific steps remaining to achieve this outcome. GAO has signaled an intent to monitor newer acquisitions as a means of assessing the extent to which the policies and procedures DHS has established, or refined, are having a positive influence on acquisition program performance. 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 the Office of Program Accountability and Risk Management (PARM), continues to implement GAO’s recommendations and demonstrate progress on this outcome, as evidenced by the following actions:

Closely Monitoring Programs in Breach

- The Department is working with Components not only to reduce the number of Level 1 and 2 programs in breach of their approved Acquisition Program Baseline (APB), but to reduce the duration that programs remain in breach.
- As of February 2021, there were a total of three programs in breach of their approved APB, representing a 50% reduction in the number of breach programs since the last update. In accordance with DHS acquisition policy, all three breach programs are aggressively executing DHS-approved remediation plans in an effort to rebaseline and remove the programs from breach status. Additionally, a detailed status of each breach program is provided to the 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 minimize breaches and

CURRENT STATUS

their potential impacts to cost and schedule, unforeseen events or external factors occasionally materialize and affect program performance.

Requiring Program Documentation

- DHS has made sustained progress on related GAO outcomes by, in part, ensuring that program documentation is approved for Acquisition Decision Events (ADEs).
 - Since December 2015, all programs are required to obtain approval for all *Directive 102-01-001, Acquisition Management* required documentation. If a required document is not submitted and approved, either ARBs are postponed, or a rationale is provided in the related Acquisition Decision Memoranda (ADM).
- *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 Cost Analysis Division (CAD) has required annual updates to Life Cycle Cost Estimates to provide comparative data on planned and executed funds. This process allows the Department to continually track program performance to ensure conformance with established cost thresholds.
- Developed streamlined templates for Acquisition Program Baselines (APB), Capability Development Plans (CDP), Integrated Logistics Support Plans (ISLP), and Systems Engineering Life Cycle Tailoring Plans (SELC-TP). Developed training aids for Logistics and Risk Management. PARM is currently drafting a guide for Integrated Master Schedules and has completed an update to the Systems Engineering Guide.

Continuously Monitoring Program Health

- PARM continued doing quarterly assessments using the improved Acquisition Program Health Assessment (APHA) report, which provides a more 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.
 - The APHA 2.0 has been operational since the October 2016 cycle. DHS stakeholders leveraged lessons learned from the first year of APHA collection and refined the ratings and weighted scores. Significant expansion was made in a new category for requirements and adding five technology factors to the framework. The tool was updated in 2019 and APHA Automation Release 2.10 provides real-time access to previous APHA reports, online notifications, commenting and adjudication actions within the tool. These improvements 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 has begun its effort to reengineer the existing APHA process, laying the foundation for a new APHA 3.0 business framework. The initial focus is solely on business processes and the health assessment methodology with the goal of transitioning from descriptive to a predictive analytic model using evidence-based

CURRENT STATUS

metrics. A federally funded research and development center (MITRE) was awarded a task order on July 30, 2020, to support PARM's efforts. In December 2020, MITRE provided the initial draft of a revised framework to the working group facilitating this APHA improvement effort. Feedback from the working group and engagements with other stakeholders will be used to further refine the APHA 3.0 framework.

- Collaboration continues between the Office of the Chief Information Officer (OCIO) and PARM to mature the data collection process by integrating the APHA and the IT Health Assessment. DHS and GAO met in July 2018 to discuss the approach and gain GAO's concurrence to move forward with the integration. Following that discussion, the Department has continued moving toward an integrated approach. The new approach includes the development of a Chief Technology Officer Directorate Technical Assessment process which is currently under development by the DHS CIO Technical Assessments Branch and a reengineering of the APHA process described above.
- PARM continues to coordinate with Components to ensure all Level 3 programs are appropriately baselined with approved APBs. Components are also required to maintain updated APB information in INVEST to allow PARM to track all Level 3 programs against approved cost, schedule, and performance parameters. Each quarter, PARM reports APB status of all Level 3 programs on the MAOL to DHS leadership, including cost, schedule, and/or performance breaches.

Enhancing Program Data Quality and Availability

- PARM established an interagency agreement with the Department of Commerce National Technical Information Service (NTIS) in October 2019 to initiate data and innovation services to enhance and improve on the structuring, standardization, value, insights, and use of PARM authoritative source data across its applications (i.e., APHA, Digital Review and Adjudication Workflow, Unified View of Investments (UVD)) and tools environments used to provide information on acquisition programs on the DHS Master Acquisition Oversight List (MAOL).
 - The goal of this business intelligence project is to enable PARM with an authoritative, 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.
 - Development was awarded to an NTIS Joint Venture Partner in March 2020 to complete three phases of the Acquisition Data Analytics Platform Tool (ADAPT) through QTR2 FY2021, which will culminate into several off-site, proof of concept and prototypes of the PARM Unified Data Mode and business intelligence capability features within ADAPT to provide information in dashboards and report outputs like the High-Vis.
 - Contingent to funding levels, plans for FY2022 will be to fund the CF2 AWS production environment and operationalize ADAPT with an initial Release 1.0 by completing the ATO and conducting training, outreach and release deliveries throughout FY2022.
 - Phase 4 of the NTIS work is in the process of being awarded to transition and complete iterations from the prototype builds into the DHS Cloud Factory 2 test and stage environments to enable a DHS Major Acquisition Program metrics

CURRENT STATUS

dashboard capable of producing high level, DHS major acquisition program performance metrics for all acquisition programs on the MAOL in an easy to interpret dashboard by QTR4 FY2021. This dashboard will enhance DHS oversight by ensuring senior leadership has relevant information to support decision making and awareness.

- PARM continues to optimize the exchange of data with UVI, which provides a unified, common operational “one-pager” to the essential management data guiding 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 updates to ensure that senior leaders, including the Deputy Under Secretary for Management as Chief Acquisition Officer and DHS ARB members have a common understanding of acquisition programs’ status and key issues.
- In addition, PARM continues to have in-person (virtual during COVID 19 tempo) high-visibility meetings on a quarterly basis. High visibility program slides are formatted to include key information on: 1) all programs in a breach status, 2) programs that are having execution issues (reported from various sources, including APHA) that require management attention, 3) status of ADM action items for the entire portfolio, 4) potential new start programs, and 5) other information related to the health of the DHS portfolio. High visibility slides are released to the entire ARB for comment prior to delivery to the Chief Acquisition Officer.
- Facilitated acquisition oversight through ARBs:
 - In FY 2020, 31 ARBs were held; 18 were ADEs or re-baseline decisions and 13 were program reviews. Twenty-three acquisition review team meetings were held to assess program readiness to conduct an ARB and 43 ADMs were signed by the CAO.
 - In FY 2021, as of February 2021, 8 ARBs were held; 4 were ADEs or re-baseline decisions and 4 were program reviews. Eight acquisition review team meetings were held to assess program readiness to conduct an ARB and 11 ADMs were signed by the CAO.
- In late FY 2020, PARM established individual monthly meetings with each CAE to enhance collaboration and better focus on issues affecting individual Component portfolios. These meetings are attended by the Executive Director, PARM, 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 issues impacted portfolio performance.
- PARM continues to participate in annual CAE oversight reviews and individual program reviews for all Level 3 programs on the Master Acquisition Oversight List (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 2020 CAE oversight and Level 3 program reviews on time and has initiated the process to begin the FY 2021 CAE oversight and Level 3 review cycle.

CURRENT STATUS

- Established an independent cost assessment (ICA) functionality, under the leadership of the DHS Chief Financial Officer, within the CAD. The ICA process has improved program cost estimates and provides the ARB with additional data when assessing them.
- Stood up a technical assessment (TA) capability within the Science and Technology Directorate’s Office of Systems Engineering & Standards Division (DOSES) that is required prior to all ADE-2As. The TAs focus on identifying programmatic technical risks that programs should manage. For IT programs, TAs are jointly signed by DOSES and the DHS Chief Information Officer. TAs have led to improved risk management and better outcomes.
- Developed a cybersecurity policy designed to coordinate cyber activities and support programs in ensuring cyber is appropriately addressed. Policy 102-01-012, *Cybersecurity Through the Acquisition Lifecycle Framework* was signed July 17, 2020.

OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Demonstrate that DHS acquisition policies and processes are contributing to improved acquisition program performance.	December 2022	December 2021	Targeting a Fully Addressed rating. 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	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	This action included metrics to demonstrate compliance related to staffing.
Began tracking Department-level metrics.	August 2015	August 2015	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	PARM also developed staffing metrics.
Established Department-level metrics to demonstrate compliance with processes and policies.	June 2015	June 2015	Complete.
Began tracking program metrics (i.e., cost, schedule, and performance).	May 2015	May 2015	This action included metrics related to the APB.

OUTCOME ACTION PLAN			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
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	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	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	Established process to produce a quarterly Acquisition Metrics report.

Management Integration Outcome #1

Outcome Lead: Andrew Clayton

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.

GAO 2021 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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CURRENT STATUS
<p>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 fully addressing the remaining 13 outcomes not yet achieved.</p> <ul style="list-style-type: none"> • 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,¹ 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 2013.² Furthermore, since 2017 DHS has advanced four GAO outcomes to Fully Addressed. • As of March 2021, <i>Strengthening Department of Homeland Security Management Functions</i> is one of only two High-Risk areas to have met the majority of GAO’s criteria for removal from the High-Risk List.³

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		<p>Targeting a Fully Addressed rating.</p> <p>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.⁴</p>

¹ Subsequent to the release of the 2019 *High-Risk Series* report (GAO-19-157SP), GAO notified DHS that two additional outcomes – APM 5 and HCM 6 – had advanced from Partially Addressed to Mostly Addressed. In 2021, ITM 6 was reduced from Mostly Addressed to Partially Addressed. 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.

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

³ 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.

⁴ 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.

OUTCOME ACTION PLAN

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
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 first <i>Integrated Strategy</i> update for 2021. The second will be released in September 2021.
Engage GAO on the status of this Outcome upon transmission of the March 2020 <i>Integrated Strategy</i> .	December 2020	December 2021	Targeting a Mostly Addressed rating. 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	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	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	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	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	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	DHS published the January and August 2016 updates to the <i>Integrated Strategy</i> .

The background of the page features a large, faint, light blue watermark of the official seal of the U.S. Department of Homeland Security. The seal is circular and contains an eagle with its wings spread, holding an olive branch and arrows. The eagle's chest is covered by a shield with a mountain range, wavy lines, and stars. The words "U.S. DEPARTMENT OF" are arched across the top, and "HOMELAND SECURITY" is arched across the bottom.

GAO High-Risk Ratings Summary

The background of the page features a large, faint, light blue watermark of the official seal of the U.S. Department of Homeland Security. The seal is circular and contains an eagle with its wings spread, holding an olive branch and arrows. The eagle's chest is covered by a shield with a mountain range, wavy lines, and stars. The words "U.S. DEPARTMENT OF HOMELAND SECURITY" are inscribed around the perimeter of the seal.

GAO High-Risk Ratings Summary



Functional Area	GAO Outcome	2019 GAO Ratings ¹	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 FFIA	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	Mostly 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%)	17 (57%)
Fully Addressed and Mostly Addressed GAO Outcomes (out of 30)		21 (70%)	22 (73%)

GAO Criteria	Definition	GAO Ratings as of 2021 ²
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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¹ **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).

² **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).