

June
2012



**INTEGRATED STRATEGY FOR
HIGH RISK MANAGEMENT**
Implementation *and* Transformation

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Under Secretary for Management



Overview

This report presents the Department of Homeland Security’s third update to GAO’s ongoing “High Risk Series”¹ of government-wide reports that identify high risk management issues. This update concentrates on the Department’s strategy and progress to address each of GAO’s thirty-one (31) high-risk Outcomes.

A significant structural change has been made with the addition of Chapter 5, “Transformational Initiatives.” Chapter 5 was created to include those DHS unique initiatives deemed to be cross-cutting, multi-dimensional and whose duration will likely span multiple years. Successful transformation of large, complex organizations like DHS takes time and, therefore, initiatives in this category are not viewed in the same vein as others contained in this report.

The Integrated Investment Lifecycle Model (IILCM) is one such initiative that has been moved to Chapter 5. The other is the Management Health Assessment (MHA). Ironically, both initiatives provide a framework for managing investments across the Department, strengthen integration and ensure that “mission needs drive investment decisions,” a central tenet of the Department’s integration strategy.

The remaining chapters of this update demonstrate a major commitment towards strengthening the management functions of the Department and addressing GAO’s recommended Outcomes. Chapter 2 demonstrates the Department’s progress against the GAO Outcomes. Chapter 3 is a summary of all 18 DHS initiatives, providing an executive-level view of the status of each initiative. Chapters 4 and 5 feature detailed scorecards and corrective action plans for each initiative. Appendix A provides an overview of the methodology used to monitor the initiatives and evaluate DHS progress against GAO Outcomes, and Appendix B contains a root cause analysis showing how each initiative addresses the twelve identified root causes.

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¹“GAO High-Risk Series,” a Report to Congressional Committees, dated February 2011.



I. Background

In January 2011, the Under Secretary for Management (USM) published the first DHS-wide management integration strategy entitled, “*Integrated Strategy for High Risk Management*.” In June 2011, the first biannual update was provided, which included a root-cause analysis, status of its 18 transformation initiatives against GAO’s high risk criteria and corrective action plans (CAPs) for each initiative.

In December 2011, a second biannual update was published which enhanced the methodology to track progress against GAO high risk criteria. In that update, DHS reported on 18 initiatives and all 31 of the GAO Outcomes. To allow for easier assessment of progress, the current update uses the same methodology and reports on the same initiatives and Outcomes.

II. Progress Since December 2011 Update

Over the past six months, DHS has made substantial progress to strengthen Management throughout the Department. The initiatives and achievements cited below demonstrate a few of the significant initiatives that support our progress since December 2011, especially in the financial management area.

a) Demonstrable progress to reduce the number of outstanding GAO Outcomes

Table 1 introduces a new analytical format to track progress against GAO’s thirty-one (31) Outcomes. More detailed evidence to support these data is provided in Chapter 2. The most significant finding is that demonstrable progress has been made to improve the trend of GAO Outcomes that fall in the “Fully” and “Mostly Addressed” categories. The area shaded in green shows that the improvement rate has increased from 22% in December 2011 to nearly 55% in June 2012. We expect this trend to continue and are working hard to justify moving all 31 Outcomes to the “Fully” or “Mostly Addressed” categories.

Table 1: Progress to Address GAO’s “Outcomes” (June 2012)²

Functional Area	Total GAO Outcomes	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated
Management Integration	4	3	1	0	0	0
Financial Management	9	5	1	3	0	0
Human Capital Management	7	0	3	4	0	0
Information Technology Management	6	0	2	4	0	0
Acquisition/Program Management	5	0	2	3	0	0
<i>Totals for June 2012</i>	<i>31</i>	<i>8</i>	<i>9</i>	<i>14</i>	<i>0</i>	<i>0</i>
<i>Totals from Dec 2011</i>	<i>31</i>	<i>2</i>	<i>5</i>	<i>16</i>	<i>6</i>	<i>2</i>

² Data reflect self reporting by each functional area and are supported by detailed evidence in Chapter 2.

**b) Strengthening the USM position through enhanced delegations-of-authority**

The Secretary has decided to significantly improve Department-wide management by modifying the delegations-of-authority between the Management Directorate and their counterparts at the Component-level. The formal directive was issued on May 29, 2012 and will provide increased standardization of operating guidelines, policies, structures and oversight of programs. By strengthening the USM position, the Department will have more centralized authority, greater clarity of roles and responsibilities and enhanced vertical integration.

Ultimately, management efficiency will be improved as all program managers will be held accountable for adhering to strong, effective management principles.

c) Data integration, standardization and Business Intelligence (BI)

The maturation of the way data are collected, stored and turned into information has made significant progress since the December 2011 update. A number of CAPs in Chapters 4 and 5 provide more detailed evidence of this maturation process. For example, as we continued to examine the IILCM initiative we discovered that standardizing data terms and other similar “data cleansing” activities is critical if there is any hope of achieving a fully integrated investment process within the agency. Hence, the CAP for the IILCM (see Initiative 17 in Chapter 5) contains an update that outlines the Department’s strategy to address data management. It also discusses the importance of implementing a “Data Mart” to provide valid and reliable data to decision-makers within each Board and Council (e.g., Department Strategy, Capabilities and Requirements, Program Review and Acquisition/Investment Review Board(s)³).

Further, progress has been made to implement several systems to improve accuracy and completeness of information. Some of our solutions that are successfully providing quality data are the Department of Homeland Security Treasury Information Executive Repository, the Fleet Management Analysis and Reporting System, the Financial Reporting Dashboard System and most recently the Decision Support Tool, which became the official source of acquisition program execution information and data on since the last update. These solutions provide robust business intelligence (BI) over disparate data sources, collating information to improve decision-making through access to accurate program data and metrics. Deploying business intelligence solutions across the financial management spectrum has improved Departmental compliance with the Chief Financial Officer (CFO) Act and DHS Financial Accountability Act, OMB guidance, other regulations, and Government accounting standards.

Continuing to mature BI technology will improve the effectiveness of management and achieve compliance, performance, and quality improvement goals by providing:

- Enhanced access to key financial data across organizational boundaries,
- Key indicators of acquisition health that are data-driven and risk-informed, and
- Improved human capital and management to enable emerging organizational opportunities.

d) Financial management and systems modernization

The Department now has a Senate-confirmed Chief Financial Officer (CFO) and a new Deputy CFO who are driving efforts to build and sustain strong financial management practices. Their efforts have resulted in the Department having, for the first time in its history, accounting and financial statements in good enough order to conduct a full financial audit.

This achievement is due, in part, to a revised Financial Systems Modernization strategy, which replaces the Transformation and Systems Consolidation (TASC) program with a decentralized strategy that focuses on essential financial system modernization. The revised strategy includes a comprehensive review of standards, policies and

³ A revision to DHS Acquisition Management Directive 102-01 is pending review; this revision would rename the Acquisition Review Board as the Investment Review Board to reflect an expanded responsibility over both acquisition programs and non-acquisition investments.



guidance for DHS Components as they undergo new system implementations, implement substantial upgrades, or perform sustainment activities.

The Department will employ a decentralized strategy that focuses on essential financial system modernization for Components with the most critical need. Components with an essential business need to modernize their financial management systems include the Federal Emergency Management Agency (FEMA), the U.S. Coast Guard (USCG), Immigration and Customs Enforcement (ICE), and their customer Components. Prior to expending any funds on financial system modernization and sustainment efforts, an analysis of alternatives must be presented and approved by the USM to ensure that system modernization efforts follow established standards, meet Federal guidance, and fully support the DHS mission. As a result of this effort, DHS will improve the business processes needed to transition systems and transform DHS organizations through standardization, alignment, best accounting practices, and regulatory compliance.

e) Virtual Consolidation

While we will continue our efforts towards physical consolidation with the construction of the Headquarters facility at St. Elizabeth's, we will also focus on the virtual consolidation of the Department to continue to reinforce the Secretary's priority to build a "One DHS." We will continue to build out secure IT infrastructure capabilities while completing the Enterprise Data Center consolidation and establishing public and private cloud services to facilitate access to mission-enabling enterprise services. We will also define a series of initiatives around leader development and mobile work that will enhance and empower our workforce.

In June 2012, the National Capital Planning Commission approved the St. Elizabeth's Master Plan amendments, which include the transportation infrastructure details. Approval of this plan is a critical step to moving forward on items such as the Malcolm X Avenue interchange, which is in the President's FY2013 budget request.

The recent revolution in the business of delivering technology has provided opportunities for the Department to rapidly respond to increased IT demands, enhance flexibility for scaling capacity and provide an economical "pay-as-you-go" business approach to IT service delivery. DHS recognizes and embraces this opportunity as a framework to implement cloud services. As of June 2012, DHS has twelve (12) Cloud Services available to its customers.

The Department's strategy is aligned with the four (4) National Institute of Standards and Technology (NIST) deployment models for clouds, which include Private, Public, Community, and Hybrid. In addition, the Department has adopted the three service models: Software as a Service, Platform as a Service, and Infrastructure as a Service. DHS is working closely with industry and federal agencies to enable a cloud model that will allow DHS Components and customers to move quickly to the appropriate service(s) for their business and mission needs.

Finally, in May 2012, the USM formally launched the Workplace Transformation Executive Steering Committee (WTEESC). The WTEESC will help pool the knowledge gained through numerous mobile-work pilots being conducted throughout the Department. In addition, the WTEESC will coordinate the support efforts for mobile, mission-centric work.

f) Comprehensive Acquisition Status Report (CASR)

One aspect of the DHS vision is to shift the program management paradigm toward being more data-driven, with emphasis on the criticality of maintaining quality data within DHS source systems. One significant result of this shift in culture is evidenced in the development and delivery of the CASR.

The CASR provides the status of DHS major acquisitions listed in the "Department of Homeland Security Major Acquisition Oversight List." Previous DHS congressional reports provided limited detail and took several months to compile. The new CASR format increases the quality of information and can be produced in less time. As our business intelligence capability and data fidelity efforts continue to mature, the already greatly condensed timeline will leverage the Decision Support Tool (DST) automation to mine program data to feed the CASR in real-time.



III. Conclusion

While the Department is pleased with its progress thus far to achieve fully integrated structures, processes and systems, there is still work ahead to realize this goal. We look forward to continuing our valued partnership with GAO and will leverage their expertise and advice over the coming months. Ultimately, success for both organizations and the security of the Nation rests with continuing a results oriented, collaborative relationship.



Progress Against GAO Outcomes

DHS has made demonstrable progress towards addressing the 31 GAO Outcomes. Using the same methodology as was used in the December 2011 report, DHS is better able to track and demonstrate its advancement across the lines of business. This progress is due to continued leadership engagement and monitoring of these issues, as well as increased synergy across the management functions. Line of business chiefs are seeing how their initiatives contribute to the Outcomes in other management functional areas, which is reflected in the greater number of “contributing initiatives” listed for various Outcomes.

The clearest sign of progress is the number of Outcomes that are now assessed as being “Fully” or “Mostly Addressed.” Over half, 55%, of the Outcomes are now assessed as “Fully” or “Mostly Addressed” as compared to only 22% in December 2011 (see Table 1). We expect this trend to continue and are working hard to get all Outcomes into these categories.

Table 1. Summary of DHS Progress against GAO Outcomes by Functional Area

Functional Area	Total GAO Outcomes	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated
Management Integration	4	3	1	0	0	0
Financial Management	9	5	1	3	0	0
Human Capital Management	7	0	3	4	0	0
Information Technology Management	6	0	2	4	0	0
Acquisition/Program Management	5	0	2	3	0	0
<i>Totals for June 2012</i>	31	8	9	14	0	0
<i>Totals from Dec 2011</i>	31	2	5	16	6	2

As summarized in the following section, the following nine Outcomes are now classified as “fully addressed” and are eligible to be considered for removal:

- Management Integration #2 - Management Integration Strategy
- Management Integration #3- MI Performance Measures
- Management Integration #4- Accountability For MI
- Financial Management #1- Top Management Commitment
- Financial Management #2- Corrective Action Plan
- Financial Management #3 - Commit Sufficient Resources
- Financial Management #7- Embrace Best Practices



- Financial Management #8 – Contractor Oversight

Additionally, the following eight Outcomes are classified as “mostly addressed” and could be eligible for removal in the near future:

- Management Integration #1 - Management Integration Implementation
- Financial Management #4 - Opinion on All of the Basic Financial Statements
- Human Capital Management #1 - Implement Human Capital Plan
- Human Capital Management #2 - Link Workforce Planning to Program Planning
- Human Capital Management #4 - Leverage Competencies and Individual Performance
- Information Technology Management #1 - EAMMF Stage Four
- Information Technology Management #6 - Enhance IT Security
- Acquisition Program Management #1 - Review of Acquisition Documentation
- Acquisition Program Management #5 - Acquisition Process Compliance

Please note that most of the GAO Outcome description language is from the GAO response to the Department’s *Integrated Strategy for High Risk Management* dated March 18, 2011. However, four of the Outcome descriptions have updated based on subsequent discussions between DHS and GAO. These Outcomes are Financial Management #3, #7, #8, and #9, and IT Management #4.

I. Summary of DHS's Progress Against GAO Outcomes

I. Management Integration (MI)				
<p>#1 - Management Integration Implementation</p>	<p>#2 - Management Integration Strategy</p>	<p>#3 - Management Integration Performance Measures</p>	<p>#4 - Accountability For Management Integration</p>	
II. Financial Management (FM)				
<p>#1 - Top Management Commitment</p>	<p>#2 - Corrective Action Plan</p>	<p>#3 - Commit Sufficient Resources</p>	<p>#4 - Opinion on All of the Basic Financial Statements</p>	<p>#5 - Clean Opinions For Two Years</p>
<p>#6 - Compliance with FFMIA</p>	<p>#7 - Embrace Best Practices</p>	<p>#8 - Contractor Oversight</p>	<p>#9 - Financial Systems Modernization Deployment</p>	<p>LEGEND > Dec. 2011 <</p>



III. Human Capital Management (HCM)				
<p>#1 - Implement Human Capital Plan</p>	<p>#2 - Link Workforce Planning to Program Planning</p>	<p>#3 - Coordinated Recruiting and Outreach Strategy</p>	<p>#4 - Leverage Competencies and Individual Performance</p>	<p>#5 - Employee Input</p>
<p>#6 - Federal Employee Viewpoint Survey</p>	<p>#7 - Assess Development Programs</p>			
IV. Information Technology Management (ITM)				
<p>#1 - EAMMF Stage Four</p>	<p>#2 - ITIMF Stage Three</p>	<p>#3 - CMMI Level Two</p>	<p>#4 - Implement IT Human Capital Plan</p>	<p>#5 - Adhere to Program Baselines</p>
<p>#6 - Enhance IT Security</p>				
V. Acquisition Program Management (APM)				
<p>#1 - Review of Acquisition Documentation</p>	<p>#2 - Component Acquisition Capabilities</p>	<p>#3 - Joint Requirements Council</p>	<p>#4 - Trained Acquisition Personnel</p>	<p>#5 - Acquisition Process Compliance</p>

LEGEND
 > Dec. 2011 <



II. DHS’s Progress Against GAO Outcomes

Management Integration Outcome #1

Outcome Lead: Ruth Sturdivant

Outcome Executive: Ken Buck

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.

Contributing Initiatives:

- All Initiatives

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<ul style="list-style-type: none"> • All 18 Initiatives in the Integrated Strategy for High Risk Management have been established and are regularly reporting on their progress through quarterly Internal Progress Reviews (IPRs). • Reporting mechanisms have been refined to provide clearer, more consistent representations of Initiative Progress. • DHS has developed a robust scoring and reporting methodology to drive progress. • The Lines of Business are making significant progress in consolidating processes and systems as demonstrated through the DHS Consolidated Dashboard Integration Initiative. • The USM has established a charter which sets forth the strategy and goals of this data integration effort with an aggressive timeline to execute the Dashboard Integration Initiative.
Future Plans	
Projected Dec 2012 Rating	Planned Activities
	<ul style="list-style-type: none"> • Continue to implement the transformation initiatives and report progress against the GAO Outcomes. • Continue to track progress during regular IPRs – ensuring cross-Departmental initiatives are well coordinated and issues are resolved in a timely manner. • Continue to develop and implement the DHS Consolidated Dashboard Integration Initiative.



Management Integration Outcome #2

Outcome Lead: Ruth Sturdivant

Outcome Executive: Ken Buck

GAO Outcome: *Management Integration Strategy* - Revise the strategy for management integration to address the characteristics for such a strategy we recommended in 2005. A management integration strategy would provide specific operational and tactical goals, activities, and time lines needed for accomplishing the integration effort. The characteristics we recommended in 2005 include:

- Look across the initiatives within each of the management functional units to identify the roles and responsibilities for the departmental and component level management units in developing and implementing those department-wide projects or initiatives.
- Clearly identify the critical links that must occur among these initiatives to determine the processes, systems, personnel, and other resources that each management functional unit at the department and/or component level should contribute to successfully implement the initiatives.
- Identify tradeoffs and set priorities to identify any sequencing needed to implement the initiatives, and to help management and component management functional units plan for and provide needed resources for the initiatives.
- Set implementation goals and a time line to monitor the progress of these initiatives to ensure the necessary links occur when needed.
- Identify potential efficiencies, and ensure that they are achieved.

Contributing Initiatives:

- All Initiatives

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<ul style="list-style-type: none"> • In January 2011, the Under Secretary for Management (USM) issued the “Integrated Strategy for High Risk Management” to address GAO’s high risk designation in the “implementation and transformation” category. • The plan includes detailed corrective action plans (CAPs), with specific operational and tactical goals, activities and timelines needed for accomplishing the integration effort. • Many of the initiatives rely on partnerships and resources from Components and other lines of business in order to meet their goals. • Most GAO Outcomes are supported by more than one initiative, and often these initiatives cross multiple lines of business. • The Under Secretary for Management holds quarterly Internal Progress Reviews with the leadership across all lines of business to review the CAPs. These meetings are forums for identifying critical links between programs and ensure that each line of business is contributing as necessary to the successful implementation of the initiatives. • The December 2011 Update provided a more rigorous scoring methodology and demonstrates progress against GAO Outcomes. This same methodology is used for the June 2012 report. • As of June 2012, 17 of the 31 GAO Outcomes are rated as being either “Mostly” or “Fully” addressed • Each line of business has enhanced their review of Outcomes, initiatives, and CAPs within their functional area to identify possible links across other management functions. • A vision for the IILCM has been established in both the January and June 2011 reports to GAO – the



	<p>IILCM is a major initiative designed to better integrate the Department’s planning, programming, budgeting, and execution processes.</p> <ul style="list-style-type: none"> The IILCM continues to be implemented with a phased and collaborative approach to ensure the process integrates all phases of the investment life cycle. 					
<p>Future Plans</p>						
<p>Projected Dec 2012 Rating</p>	<p>Planned Activities</p>					
<table border="1"> <tr><td>Fully Addressed</td></tr> <tr><td>Mostly Addressed</td></tr> <tr><td>Partially Addressed</td></tr> <tr><td>Initiated</td></tr> <tr><td>Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> Continue implementing the Integrated Strategy for High Risk Management, including holding quarterly IPRs to review progress and identify issues. The June 2012 Update to the Integrated Strategy demonstrates measurable and sustained progress in implementing the CAPS for each management function. Develop a concept of operations and implementation plan for the IILCM in collaboration with key Department leadership during Q1 FY 2013.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Management Integration Outcome #3

Outcome Lead: Ruth Sturdivant

Outcome Executive: Ken Buck

GAO Outcome: *Management Integration Performance Measures* - Establish performance measures to assess progress made in achieving Department-wide management integration.

Contributing Initiatives:

- All Initiatives
- Initiative 18 – Management Health Assessment

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<p>The progress bar shows 'Fully Addressed' in blue. A legend below indicates that the bar represents data from Dec. 2011.</p>	<ul style="list-style-type: none"> • Performance measures have been established for each of the 18 Initiatives in the Integrated Strategy for High Risk Management. A total of 61 tactical and strategic key measures have been developed to demonstrate progress across the initiatives. See Chapters 3 and 4 for complete descriptions of these measures. • Each quarter initiative owners report their progress to the Under Secretary of Management (USM) at Internal Progress Reviews (IPRs) • In June 2011, EDMI initiated a new effort to develop a Management Health Assessment (MHA) methodology to assess and track management health across DHS management functions and Components. During March and April 2012, DHS began work to develop performance metrics for each line of business in the areas of efficiency, effectiveness and stakeholder satisfaction.
Future Plans	
Projected Dec 2012 Rating	Planned Activities
<p>The progress bar shows 'Fully Addressed' in blue.</p>	<ul style="list-style-type: none"> • Initiative owners will continue to report their progress against the established tactical and strategic performance measures at IPRs and in update reports to GAO. • The new management health assessment methodology is expected to be completed and piloted in the Q4 FY 2012. The accompanying visualization tool will support awareness and achievement of management integration by providing leadership with a department-wide assessment of management health.



Management Integration Outcome #4

Outcome Lead: Ruth Sturdivant

Outcome Executive: Ken Buck

GAO Outcome: *Accountability for Management Integration* - Implement mechanisms to promote accountability for management integration among department and component management chiefs by having:

- Department management chiefs provide written objectives for Component management chiefs’ performance plans at the beginning of each performance cycle, and having the objectives explicitly reflect priorities and milestones for the management functions during that period;
- Department management chiefs provide direct and formal input into Component management chiefs’ annual performance evaluations; and
- Component management chiefs’ individual performance plans include explicit linkages to the goals and objectives for the DHS Management Directorate and relevant department management function.

Contributing Initiatives:

- All Initiatives

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<div style="display: flex; align-items: center;"> ➤ <div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>Fully Addressed</p> <p>Mostly Addressed</p> <p>Partially Addressed</p> <p>Initiated</p> <p>Not Initiated</p> </div> ◀ </div> <div style="border: 1px solid black; padding: 5px; text-align: center; margin-top: 10px;"> <p>LEGEND</p> <p>➤ Dec. 2011 ◀</p> </div>	<ul style="list-style-type: none"> • Since FY09, Departmental Line of Business Chiefs provide input into Component management’s performance appraisals. • Department chiefs hold regular management council meetings to drive integration, coordination, and sharing of best practices across the enterprise. • Objective, evidence-based metrics, based on the strategic goals and priorities of the leadership drive the performance of management chiefs, both at the Department and Component levels. • Component CIOs have High Priority Initiatives that are aligned with the CIO’s strategy and goals. • Each Component Head signs a letter of commitment to the CFO’s strategic goals. • CPO conducts monthly meetings with Component Heads of Contracting Activities to monitor progress against annual goals and strategic priorities. • Performance objectives (related to the Decision Support Tool) have been added to all but two of the Component Acquisition Executive’s (CAE) performance plans. CAE’s will be evaluated in regard to their Components’ reporting compliance in source systems on programs resident on the Major Acquisition Oversight List. • Components are required to submit annual operational plans aligned to the goals, objectives and performance measures outlined in the DHS Workforce Strategy for FY 2011-2016. Additionally, the Secretary issued guidance in early 2012 for all Department executives to incorporate employee engagement, one of the key outcomes of the DHS Workforce Strategy, into their performance plans.



Future Plans						
Projected Dec 2012 Rating	Planned Activities					
<table border="1"><tr><td>Fully Addressed</td></tr><tr><td>Mostly Addressed</td></tr><tr><td>Partially Addressed</td></tr><tr><td>Initiated</td></tr><tr><td>Not Initiated</td></tr></table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none">• The Department will sustain momentum in this area.• DHS will continue to strengthen mechanisms to hold department and component chiefs accountable for vertical and horizontal management integration efforts.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Financial Management Outcome #1

Outcome Lead: Larry Bedker

Outcome Executive: Peggy Sherry

GAO Outcome: *Top Management Commitment* - Maintain top management commitment to correcting identified weaknesses, monitoring the status of corrective actions, and establishing and maintaining effective financial management internal controls.

Contributing Initiatives:

- Initiative 2 - Financial Management Controls

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<p>Fully Addressed</p> <p>Mostly Addressed</p> <p>Partially Addressed</p> <p>Initiated</p> <p>Not Initiated</p> <p>LEGEND</p> <p>Dec. 2011</p>	<ul style="list-style-type: none"> • DHS senior management is committed to correcting identified weaknesses, monitoring corrective actions, and establishing and maintaining effective financial management internal controls, as is demonstrated below. Therefore, we consider this GAO Outcome fully addressed. • In FY 2011, the Secretary committed the Department to obtain a qualified audit opinion on the Balance Sheet and Statement of Custodial Activity. The Commandant of the Coast Guard demonstrated the same commitment at USCG. In FY 2011, the Department earned a qualified opinion on those statements, its first since 2003. • In the FY 2011 audit report, the independent auditor noted that DHS has made progress in improving the quality and reliability of our financial reporting. The FY 2011 audit results demonstrate that the Department is committed to being a responsible steward of taxpayer dollars. In FY 2011, the auditors noted that Department-wide entity-level conditions were substantially corrected. The conditions related to the Department’s lack of sufficient number of management personnel with the requisite financial accounting knowledge and background. The Department executed a staffing plan to fill gaps in Department-wide skill sets, increasing the number of accounting and financial management personnel with essential technical expertise. • To sustain last year’s progress, in FY 2012 all Component Heads committed to addressing any known material weaknesses, significant deficiencies, reportable conditions, or any other internal control deficiencies that could impact the Secretary’s FY 2012 goal of obtaining an opinion on a full scope financial statement audit and to support remediation actions listed in the Mission Action Plans (MAPs). These commitment statements were included as an element of each Component Head's performance plan to the Secretary. • During quarterly meetings with Component Heads, the Deputy Secretary stresses the importance of correcting identified weaknesses, ensuring audit readiness, and completing corrective actions. • The Secretary engages in regular communications at the Secretary’s bi-weekly meetings with Component Heads and at weekly meetings the DHS Chief of Staff holds with the Chiefs of Staff from across the Department. • Through the Department Chief Financial Officer (CFO) Council, all Component CFOs committed to achieving annual Department-wide performance goals, and those commitments are required as an element of each Component CFO’s performance plan. All Components prepared and submitted MAPs for FY 2012 based on results of A-123 assessments and Notice of Findings and Recommendations (NFRs) identified in the FY 2011 financial statement audit as required by the Internal Control MAP Guide. To help ensure the MAP process is comprehensive and applied consistently, DHS has developed a MAP process checklist and criteria for evaluating individual MAPs. The DHS CFO works closely with Components to ensure MAPs address their plans to remediate known significant deficiencies and material weaknesses. MAPs include, but are not limited to, key elements such as a plan that provides a



	<p>root cause analysis, critical path milestones, resources required, targeted completion date, etc.</p> <ul style="list-style-type: none"> • The DHS CFO partnered with Components to conduct a detailed risk analysis on the expanded scope of the financial statement audit. The results of the analysis are documented and monitored in the FY 2012 Audit Risks by Component chart, which presents risks identified for each Component across several business processes and identifies the severity of the risks. These risk items are communicated to the Deputy Secretary for discussion during her Component Head meetings. • The DHS CFO is executing an aggressive risk-based approach to audit remediation, working closely with Components to mitigate any risk of new material weaknesses or audit qualifications and to sustain prior-year successes. The DHS CFO meets at least once a month with DHS Components to review the status of progress against the MAPs and upcoming completion dates for actions under way, and address audit risks and mitigation strategies. The meeting frequency is based on the level of risk identified for that particular Component. • Component Heads have committed sufficient resources to complete corrective actions. Specifically, the US Coast Guard (USCG) Vice Commandant meets regularly with the USCG Senior Management Team, which includes Senior Executives and Admirals, to monitor progress of detailed corrective actions and allocation of resources. In FY 2012, USCG requested, and Congress approved, a realignment of FY 2012 USCG funding to increase financial reporting support for the FY 2012 audit. This realignment allows the USCG to dedicate 200 additional resources to work directly in support of the FY 2012 audit. • The DHS CFO continues to provide accounting support to Components as necessary. In FY 2011, the DHS CFO sent a team of seven staff members and contractors to USCG to support its work on the Fund Balance with Treasury analysis. Because of this support, USCG could show adjustments made to beginning balances for Fund Balance with Treasury were auditable and supported—a crucial aspect of the Department-wide qualified opinion. In FY 2012, the DHS CFO ensured that adequate resources were available to support USCG in their efforts to remediate deficiencies in their property, plant and equipment and achieve auditability of the remaining balances. The DHS CFO facilitated the temporary reassignment of 18 staff members from different Components and line of businesses to work on these efforts. The DHS CFO is also providing accounting support to other Components as necessary to ensure audit readiness on the additional financial statements and processes to undergo audit this year. • The Department now has a Senate-confirmed CFO and a new Deputy CFO, who are driving efforts to build and sustain strong financial management practices. In April 2012, the DHS CFO was recognized by the Joint Financial Management Improvement Program (a cooperative undertaking of Department of Treasury, Government Accountability Office, Office of Management and Budget, and Office of Personnel Management) with their highest honor for demonstrated outstanding leadership and significant improvements in financial management in the public sector. • In February 2012 testimony, the Under Secretary for Management reaffirmed his commitment to and plans for improving business intelligence (BI) capabilities across the Department to provide timely, accurate, and actionable financial information. • In March 2012, Senators Tom Carper, Scott Brown, and Ron Johnson hailed the Department's achievements in becoming audit-ready and having, for the first time in its history, accounting and financial statements in good enough order to conduct a full financial audit.¹ • During the FY 2012 CFO Symposium, the Comptroller General of the United States noted that DHS's achievement of obtaining a qualified opinion on the Balance Sheet is a significant step forward for the Department. The Comptroller General also noted improvements in the level of communication and cooperation with the Department, particularly the increase in communications with the DHS Secretary, Deputy Secretary, Under Secretary for Management, CFO and others in the Department.²
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¹ Office of Senator Tom Carper, "Senators Hail the Department of Homeland Security for Becoming Ready for Its First Full Financial Audit," Press Release, March 8, 2012. <http://www.carper.senate.gov/public/index.cfm/pressreleases?ID=1fa6ada3-258c-422a-9101-de1be2d63d31>

² Gene Dodaro, "Economic Outlook," Speech at the 9th Annual CFO Symposium, March 14, 2012.



Future Plans						
Projected Dec 2012 Rating	Planned Activities					
<table border="1"> <tr><td>Fully Addressed</td></tr> <tr><td>Mostly Addressed</td></tr> <tr><td>Partially Addressed</td></tr> <tr><td>Initiated</td></tr> <tr><td>Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> • The Deputy Secretary will continue to monitor Component progress toward resolving weaknesses through quarterly meetings with the Component Heads. • The DHS CFO will continue to meet with DHS Components at least monthly to review the status of progress against the plans and upcoming completion dates for actions under way. • The DHS CFO will continue to monitor Component progress against the plans and identify any additional risks. • The Secretary and Component Heads will report the results of internal controls assessments through the annual assurance statement process. This process demonstrates management’s responsibility to establish and maintain effective control over the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. • In future years, the Department will continue obtaining Component Head and CFO signed commitment statements, establishing MAPs, and meeting with Components at least monthly to monitor progress. • Continue to improve BI capabilities to enhance Department-wide managerial reporting of financial data; to streamline data collection, analysis, and reporting; and to decrease our reliance on standalone data calls and data-entry spreadsheets.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Financial Management Outcome #2

Outcome Lead: Melissa Morgan-Lowden

Outcome Executive: Larry Bedker

GAO Outcome: *Corrective Action Plan* - Develop and demonstrate measurable progress in implementing a corrective action plan with specific milestones and accountable officials to address the weaknesses in systems, internal control and business process weaknesses and variation that impede DHS's ability to integrate and transform its financial management.

Contributing Initiatives:

- Initiative 1 – Financial System Improvement and Modernization
- Initiative 2 - Financial Management Controls

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<p>LEGEND > Dec. 2011 <</p>	<ul style="list-style-type: none"> • We continue to demonstrate measurable progress every year, developing and implementing Mission Action Plans (MAPs), decreasing material weakness and significant deficiency conditions, and obtaining a qualified opinion in FY 2011 on the Balance Sheet and Statement of Custodial Activity. Therefore, we consider this GAO Outcome fully addressed. • In FY 2011, the Independent Auditors reported progress in financial management. Most significantly, US Coast Guard (USCG) resolved a long standing Entity Level Controls significant deficiency. In the FY 2011 audit report, the independent auditor noted that DHS has made progress in improving the quality and reliability of our financial reporting. The FY 2011 audit results demonstrate that the Department is committed to being a responsible steward of taxpayer dollars. • From FY 2006–2011, DHS has reduced the number of audit qualifications from ten (10) to one (1), Department-wide material weaknesses in internal controls over financial reporting from ten (10) to five (5), and the number of Component conditions contributing to material weaknesses from twenty-five (25) to seven (7). Although five material weaknesses remain, in most cases, the Department lessened the severity of the conditions or reduced the scope. • MAPs implemented in FY 2011 resolved the following deficiencies: Entity Level Controls at Customs and Border Patrol (CBP), Actuarial Liabilities at USCG, Financial Reporting at the Federal Emergency Management Agency (FEMA), Budgetary Accounting at CBP, and information technology (IT) Controls and System Functionality at the Federal Law Enforcement Training Center (FLETC). In addition, MAPs implemented in FY 2011 reduced the severity of the following deficiencies: Fund Balance with Treasury at USCG and IT Controls and System Functionality at Immigration and Customs Enforcement (ICE). Finally, the scope of the Department-wide deficiency condition for Actuarial and Other Liabilities was reduced to Environmental and Other Liabilities, and that of Financial Management and Reporting was reduced to Financial Reporting. • Corrective actions taken by the USCG and other Components increased the Department’s auditable balance sheet balances to approximately 90 percent in FY 2011, allowing the Department to attain a qualified opinion on the Balance Sheet and Statement of Custodial Activity in FY 2011. By executing corrective action plans, implementing new processes, and monitoring audit risk throughout the fiscal year, the USCG can now assert to a total of \$56.2 billion of its balance sheet. For the first time, the independent auditors were able to audit Fund Balance with Treasury, Accounts Payable, Accounts Receivable, and Undelivered Orders at USCG. • Developed the sixth edition of the Internal Control Playbook to ensure effective Department-wide internal controls are in place. The Playbook was released March 2012. The Playbook is an annual plan with five editions since FY 2007 that builds upon previous successes, defines current internal control



approaches, and establishes MAPs, milestones, and focus areas for the Department's most significant internal control challenges.

- Components prepared and submitted MAPs for FY 2012 based on results of A-123 assessments and Notices of Findings Recommendations (NFRs) identified in the FY 2011 financial statement audit as required by the Internal Control Mission Action Plan Guide. To help ensure the MAP process is comprehensive and applied consistently, DHS has developed a MAP process checklist and criteria for evaluating individual MAPs. The DHS Chief Financial Officer (CFO) works closely with Components to ensure MAPs addressed their plans to remediate known significant deficiencies and material weaknesses. MAPs include, but are not limited to, key elements such as a plan that provides a root cause analysis, critical path milestones, resources required, targeted completion date, etc.
- The DHS CFO partnered with Components to conduct a detailed risk analysis on the expanded scope of the financial statement audit. The high-risk items in the analysis results were communicated to the Deputy Secretary for discussion during her Component Head meetings. The Deputy Secretary met with Component Heads to stress the importance of correcting identified weaknesses, ensuring audit readiness and completing corrective actions.
- The DHS CFO is executing an aggressive risk-based approach to audit remediation, working closely with Components to mitigate any risk of new material weaknesses or audit qualifications and to sustain prior-year successes. The DHS CFO meets at least monthly with DHS Components to review the status of progress against the MAPs and upcoming completion dates for actions under way, and to address audit risks and mitigation strategies. The meeting frequency is based on the level of risk identified for that particular Component.
- DHS has institutionalized a risk management process that will continue in future years. The Department has invited the independent auditors to attend the risk management meetings with Components, providing an opportunity to partner with the auditors in the corrective action process.
- As a result of A-123 assessments and NFRs identified in the FY 2011 financial statement audit, Components developed Plans of Action and Milestones (POA&Ms) as required by the DHS Sensitive Systems Policy Directive 4300A. The DHS CFO and CIO provide direct support to Components and continue to focus on corrective actions related to the overall Department-level IT material weakness identified in the FY 2011 financial statement audit. This approach focuses on Components contributing to the material weakness and prioritizing efforts on NFRs with the highest severity in an effort to remediate the highest risk NFRs. Component POA&M progress and remediation is monitored throughout the fiscal year through Component Risk Management meetings, and the DHS CFO is also conducting verification and validation (V&V) over IT NFR remediation.
- Of approximately 2,000 financial and Information Technology (IT) NFRs issued to the Department through the course of the Financial Statements and Internal Controls over Financial Reporting audit, approximately 95 percent have been remediated.
- In FY 2011, the independent auditors noted further progress made by DHS on remediating IT NFRs. The independent auditors identified approximately one-half of the number of new findings in FY 2011 compared to the number of new findings identified in FY 2010.



Future Plans						
Projected Dec 2012 Rating	Planned Activities					
<table border="1"> <tr><td>Fully Addressed</td></tr> <tr><td>Mostly Addressed</td></tr> <tr><td>Partially Addressed</td></tr> <tr><td>Initiated</td></tr> <tr><td>Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> The DHS CFO will continue to meet at least monthly with DHS Components to review the status of progress against the MAPs and upcoming completion dates for actions under way, and address audit risks and mitigation strategies. The meetings are held on a regular basis based on the level of risk identified for that particular Component. The creation and subsequent monitoring of MAPs are established processes at DHS that will continue in future years. Results of the quarterly risk assessments are incorporated into the risk management meetings for monitoring/oversight. In addition, revised risk assessments will be obtained from Components quarterly. DHS will complete Department-wide benchmarking analysis to determine specific areas to focus and streamline financial management business processes across all Components. The DHS CFO will continue stress testing of identified risk areas for material Components and financial statements line items, and monitor remediation activities for any findings from the testing. The DHS CFO will issue a new Financial Management System Modernization Playbook. The purpose of the Playbook is to introduce the Department’s plan for strengthening financial system modernization and BI capabilities as we prioritize essential system modernization for Components with the most critical need.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Financial Management Outcome #3

Outcome Lead: Christine Rodriguez

Outcome Executive: Larry Bedker

GAO Outcome: *Commit sufficient resources* - Commit sufficient resources with the necessary financial management expertise to execute the corrective actions needed to implement its current approach for financial system modernization and complete a full-scope audit of the entire Department’s basic financial statements while addressing the weaknesses in financial management controls.

Note: This Outcome language was revised for the June 2012 update based on discussions and agreement between GAO and the DHS OCFO staff in May 2012.

Contributing Initiatives:

- Initiative 1 - Financial System Improvement and Modernization
- Initiative 2 - Financial Management Controls

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<ul style="list-style-type: none"> • DHS has committed sufficient resources to focus on audit readiness activities and financial management system modernization. We have realigned Department resources to work with Components as noted below. We continue to do this work as we prepare for the full-scope audit. Components will determine resource needs for future system modernization initiatives and commit sufficient resources to ensure success. The Department has established processes for determining appropriate resource needs and realigning them to get the greatest impact. Therefore, we consider this GAO Outcome fully addressed. • DHS is tracking the percentage of key personnel positions in active financial system major upgrade or replacement projects that are filled each quarter. As of June 2012, the Department has filled 87% of identified key personnel positions. This percentage does not include planned or actual resources for USCG or ICE modernization efforts because those Components are in the initial acquisition phases of their modernization efforts, and the resource requirements have not yet been identified. • DHS established a new, decentralized strategy for modernizing its financial management systems. Rather than pursue an enterprise-wide, already-integrated system, the Department will pursue essential system modernization for Components with the most critical need. • The DHS CFO established the Financial Management Systems Branch (FMSB) in August 2011, reallocating resources with expertise in financial management, internal control, cost estimating, performance measurement, risk management, organizational change and communications. The FMSB is responsible for governance and oversight of all Component Financial Management initiatives to ensure that Department needs are met. • As a result of A-123 assessments and IT Notice of Findings and Recommendations (NFRs) identified in the FY 2011 financial statement audit, Components developed POA&Ms as required by the DHS Sensitive Systems Policy Directive 4300A to remediate the NFRs. The DHS Chief Financial Officer (CFO) and Chief Information Officer (CIO) provide direct support to Components and continue to focus on corrective actions related to the overall Department-level IT material weakness identified in the FY 2011 financial statement audit. This approach focuses on Components contributing to the material weakness and prioritizing efforts on IT NFRs with the highest severity in an effort to remediate the highest risk IT NFRs. • We are working closely with Components to standardize business processes and internal controls, implement a common line of accounting, maintain data quality standards, and provide oversight and



approval for any proposed efforts for financial system upgrade or replacement projects. Component POA&M progress and remediation is monitored throughout the fiscal year through Component Risk Management meetings, and the DHS CFO is also conducting V&V over IT NFR remediation.

- The DHS CFO partnered with Components to conduct a detailed risk analysis on the expanded scope of the financial statement audit. Components completed and Component CFOs signed-off on an audit readiness risk assessment identifying potential risks related to a full-scope financial statement audit. The assessment was also vetted by the CFO Council. This information was used to develop the FY 2012 internal control assessments.
- In FY 2012 Component Heads committed to addressing any known material weaknesses, significant deficiencies, reportable conditions, or any other internal control deficiencies that could impact the Secretary's FY 2012 goal of obtaining an opinion on a full scope financial statement audit and to support remediation actions listed in the MAPs. These commitment statements were included as an element of each Component Head's performance plan to the Secretary.
- The Component Heads have committed sufficient resources to complete corrective actions, and in several instances have temporarily realigned resources to achieve audit goals. Specifically, the US Coast Guard (USCG) Vice Commandant meets regularly with the USCG Senior Management Team, which includes Senior Executives and Admirals, to monitor progress of corrective actions and allocation of resources. In FY 2012, USCG requested, and Congress approved, a realignment of FY 2012 USCG funding to support increased financial reporting support for the FY 2012 audit. This realignment allows the USCG to dedicate 200 resources to work directly in support of the FY 2012 audit.
- In FY 2011, the DHS CFO sent a team of seven staff members and contractors to USCG to support its work on the Fund Balance with Treasury analysis for an audit deliverable. Because of this support, USCG could show adjustments made to beginning balances for Fund Balance with Treasury were auditable and supported—a crucial aspect of the Department-wide qualified opinion.
- In FY 2012, the DHS CFO ensured that adequate resources were available to support USCG in their efforts to remediate deficiencies in their property, plant and equipment and achieve auditability of the remaining balances. The DHS CFO facilitated the temporary reassignment of 18 staff members from different Components and line of businesses to work on these efforts. The DHS CFO is also providing accounting support to other Components as necessary to ensure audit readiness on the additional financial statements and processes to undergo audit this year.
- The DHS CFO also leverages existing accounting support contract vehicles to assist with quality assurance review, technical advice relating to the U.S. Standard General Ledger (USSGL) and accounting standards, priority financial issues, and V&V efforts.
- The DHS CFO meets at least monthly with DHS Components to review the status of progress against the plans and reviews upcoming completion dates for actions under way, and address audit risks and mitigation strategies. The meetings are held on a regular basis based on the level of risk identified for that particular Component.



Future Plans						
Projected Dec 2012 Rating	Planned Activities					
<table border="1"> <tr><td>Fully Addressed</td></tr> <tr><td>Mostly Addressed</td></tr> <tr><td>Partially Addressed</td></tr> <tr><td>Initiated</td></tr> <tr><td>Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> • The DHS CFO, along with the Chief Information Officer (CIO), Chief Procurement Officer (CPO), the Office of Program Accountability and Risk Management (PARM), and the Components, will work to ensure financial system modernization projects are planned and executed to meet reporting requirements, minimize costs for financial operations, and make certain that financial management systems provide for the systematic measurement of performance and have management controls in place to support the DHS mission. The DHS CFO will continue to lead this effort by providing guidance and policy for financial system modernization projects. • The DHS CFO will continue to work with all Components to ensure financial systems meet government-wide requirements. In addition, the Under Secretary for Management must approve a Component's analysis of alternatives (AoA) prior to any expenditure of funds on financial system modernization and sustainment efforts. • Monitor FEMA's technical refresh implementation through completion in early FY 2013. • Continue to incorporate results of the quarterly risk assessments into the audit risk management meetings for monitoring/oversight. In addition, continue to obtain revised risk assessments from Components each quarter. • Continue to participate in project teams in the Components focused on key full-scope audit areas and build on successes achieved in FY 2011. • Monitor Component progress against the MAPs and POA&Ms and identify any additional risks. • Complete Department-wide benchmarking analysis to determine specific areas to focus and streamline financial management business processes across all Components. • Continue to improve BI capabilities to enhance Department-wide managerial reporting; to streamline data collection, analysis, and reporting; and to decrease our reliance on standalone data calls and data-entry spreadsheets.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Financial Management Outcome #4

Outcome Lead: Larry Bedker

Outcome Executive: Peggy Sherry

GAO Outcome: *Opinion on All of the Basic Financial Statements* - Expand the scope of the DHS financial statement audit to include an opinion on all of the basic financial statements as identified by OMB Circular A-136 including the required supplementary stewardship information and obtaining an opinion on internal control over financial reporting in accordance with the DHS Financial Accountability Act of 2004.

Contributing Initiatives:

- Initiative 2 - Financial Management Controls

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<p>Fully Addressed</p> <p>Mostly Addressed</p> <p>Partially Addressed</p> <p>Initiated</p> <p>Not Initiated</p> <p>LEGEND</p> <p>Dec. 2011</p>	<ul style="list-style-type: none"> • In FY 2012, the Department expanded to a full-scope financial statement audit, which includes the Balance Sheet and Statements of Budgetary Resources, Net Cost, Changes in Net Position, and Custodial Activity. Therefore, we consider this GAO Outcome mostly addressed. • From FY 2006–2011, DHS has reduced the number of audit qualifications from ten (10) to one (1), Department-wide material weaknesses in internal controls over financial reporting from ten (10) to five (5), and the number of Component conditions contributing to material weaknesses from twenty-five (25) to seven (7). Although five (5) material weaknesses remain, in most cases, the Department lessened the severity of the conditions, and corrected its material weakness condition in Actuarial Liabilities. • DHS obtained a qualified opinion in FY 2011 on the Balance Sheet and Statement of Custodial Activity, the first since FY 2003, and increased Department’s auditable balance sheet balances to approximately 90 percent in FY 2011. This audit opinion is a pivotal step to increasing transparency and accountability and accurately accounting for the Department’s resources, and cleared the path for the Department to expand to a full scope audit in FY 2012. • In the FY 2011 Audit Report, the independent auditor noted that DHS has made measurable progress overall in financial management and in improving the quality and reliability of our financial reporting. • Of approximately 2,000 financial and Information Technology (IT) Notice of Findings and Recommendations (NFRs) issued to the Department through the course of the Financial Statements and Internal Controls over Financial Reporting audit, approximately 95 percent have been remediated. • Customs and Border Patrol (CBP) has received an unqualified audit opinion on a full scope financial statement audit every year since FY 2006. • In the FY 2011, for the first time since 2004, the Department became substantially compliant with OMB Circular A-50, <i>Audit Follow-up</i>. • MAPs implemented in FY 2011 resolved the following deficiencies: Entity Level Controls at Customs and Border Protection (CBP), Actuarial Liabilities at US Coast Guard (USCG), Financial Reporting at the Federal Emergency Management Agency (FEMA), Budgetary Accounting at CBP, and information technology (IT) Controls and System Functionality at the Federal Law Enforcement Training Center (FLETC). In addition, MAPs implemented in FY 2011 reduced the severity of the following deficiencies: Fund Balance with Treasury at USCG and IT Controls and System Functionality at Immigration and Customs Enforcement (ICE). Finally, the scope of the Department-wide deficiency condition for Actuarial and Other Liabilities was reduced to Environmental and Other Liabilities, and that of Financial Management and Reporting was reduced to Financial Reporting.



	<ul style="list-style-type: none"> Improvements made by the USCG and other Components increased the Department’s auditable balance sheet balances to approximately 90 percent in FY 2011, allowing the Department to attain a qualified opinion on the balance sheet in FY 2011. By executing corrective action plans, implementing new processes, and monitoring audit risk throughout the fiscal year, the USCG can now assert to a total of \$56.2 billion of its balance sheet. For the first time, the independent auditors were able to audit Fund Balance with Treasury, Accounts Payable, Accounts Receivable, and Undelivered Orders at USCG. In FY 2012, DHS expanded the scope of the audit to all five financial statements and implemented the FY 2012 internal control assessment plan to include assessments over the Statements of Net Cost, Net Position, and Budgetary Resources. In FY 2012, USCG requested, and Congress approved, a realignment of FY 2012 USCG funding to support increased financial reporting support for the FY 2012 audit. This realignment allows the USCG to dedicate 200 additional resources to work directly in support of the FY 2012 audit. Components completed and signed-off on an audit readiness risk assessment identifying potential risks related to a full-scope financial statement audit. The assessment was also vetted by the DHS CFO Council. This information was used to develop the FY 2012 internal control assessments. In FY 2012, all Component Heads committed to addressing any known material weaknesses, significant deficiencies, reportable conditions, or any other internal control deficiencies that could impact the Secretary’s FY 2012 goal of obtaining an opinion on a full scope financial statement audit and to support resolution actions listed in the MAPs. MAPs included, but were not limited to, key elements such as a plan that provides a root cause analysis, critical path milestones, resources required, targeted completion date, etc. These commitment statements were included as an element of each Component Head's performance plan to the Secretary. The DHS CFO will continue to meet at least monthly with DHS Components to review the status of progress against the MAPs and upcoming completion dates for actions under way, and address audit risks and mitigation strategies. The meetings are held on a regular basis based on the level of risk identified for that particular Component. 					
<p>Future Plans</p>						
<p>Projected Dec 2012 Rating</p>	<p>Planned Activities</p>					
<table border="1"> <tr><td>Fully Addressed</td></tr> <tr><td>Mostly Addressed</td></tr> <tr><td>Partially Addressed</td></tr> <tr><td>Initiated</td></tr> <tr><td>Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> Provide oversight/monitor Component assessments as they relate to the FY 2012 internal control assessment plan over the Statements of Net Cost, Net Position and Budgetary Resources. Results of the assessment will support the Secretary’s annual assurance statement. This process demonstrates management’s responsibility to establish and maintain effective control over the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. Work closely with Components to focus efforts on critical areas identified by the independent auditor and monitor progress. The DHS CFO will continue to meet at least monthly with DHS Components to review the status of progress against the risk management plans and upcoming completion dates for actions under way. The DHS CFO will continue stress testing of identified risk areas for material Components and financial statements line items, and monitor remediation activities for any findings from the testing.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Financial Management Outcome #5

Outcome Lead: Larry Bedker

Outcome Executive: Peggy Sherry

GAO Outcome: *Clean Opinions for Two Years* - Sustain clean opinions for at least two consecutive years on the department-wide financial statements, while demonstrating measurable progress toward achieving effective internal controls by reducing material weaknesses and significant deficiencies. This should include establishing and standardizing effective business processes and financial management controls department-wide to avoid using ad hoc procedures, expending significant resources, and making billions of dollars in adjustments to derive clean audit opinions.

Contributing Initiatives:

- Initiative 2 - Financial Management Controls

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<ul style="list-style-type: none"> • In the FY 2011 audit report, the independent auditor noted that DHS has made measurable progress overall in financial management. In FY 2012, the Department expanded to a full-scope financial statement audit, which includes the Balance Sheet and Statements of Budgetary Resources, Net Cost, Changes in Net Position, and Custodial Activity. Therefore, we consider this GAO Outcome partially addressed. Please note: This outcome reflects a higher standard than is being achieved by other Chief Financial Officer (CFO) Act agencies with full scope audit opinions. • DHS obtained a qualified opinion in FY 2011 on the Balance Sheet and Statement of Custodial Activity, the first since FY 2003. This audit opinion is a pivotal step to increasing transparency and accountability and accurately accounting for the Department’s resources, and cleared the path for the Department to expand to a full scope audit in FY 2012. • Components completed and signed-off on an audit readiness risk assessment identifying potential risks related to a full-scope financial statement audit. The assessment was also vetted by the DHS CFO Council. This information was used to develop the FY 2012 internal control assessments. • From FY 2006–2011, DHS has reduced the number of audit qualifications from ten (10) to one (1), Department-wide material weaknesses in internal controls over financial reporting from ten (10) to five (5), and the number of Component conditions contributing to material weaknesses from twenty-five (25) to seven (7). Although five (5) material weaknesses remain, in most cases, the Department lessened the severity of the conditions, and corrected its material weakness condition in Actuarial Liabilities. • Customs and Border Patrol (CBP) has received an unqualified audit opinion on a full-scope financial statement audit every year since FY 2006. • Through Mission Action Plans (MAPs) implemented in FY 2011, the Department resolved the following deficiencies: Entity Level Controls at Customs and Border Protection (CBP), Actuarial Liabilities at US Coast Guard (USCG), Financial Reporting at the Federal Emergency Management Agency (FEMA), Budgetary Accounting at CBP, and information technology (IT) Controls and System Functionality at the Federal Law Enforcement Training Center (FLETC). In addition, MAPs implemented in FY 2011 reduced the severity of the following deficiencies: Fund Balance with Treasury at USCG and IT Controls and System Functionality at Immigration and Customs Enforcement (ICE). Finally, the scope of the Department-wide deficiency condition for Actuarial and Other Liabilities was reduced to Environmental and Other Liabilities, and that of Financial Management and Reporting was reduced to Financial Reporting • Improvements made by the USCG and other Components increased the Department’s auditable balance sheet balances to approximately 90 percent in FY 2011, allowing the Department to attain a



	<p>qualified opinion on the balance sheet in FY 2011. By executing corrective action plans, implementing new processes, and monitoring audit risk throughout the fiscal year, the USCG can now assert to a total of \$56.2 billion of its balance sheet. For the first time, the independent auditors were able to audit Fund Balance with Treasury, Accounts Payable, Accounts Receivable, and Undelivered Orders at USCG.</p> <ul style="list-style-type: none"> • In FY 2012, all Component Heads committed to addressing any known material weaknesses, significant deficiencies, reportable conditions, or any other internal control deficiencies that could impact the Secretary’s FY 2012 goal of obtaining an opinion on a full scope financial statement audit and to support resolution actions listed in the MAPs. MAPs included, but were not limited to, key elements such as a plan that provides a root cause analysis, critical path milestones, resources required, targeted completion date, etc. These commitment statements were included as an element of each Component Head’s performance plan to the Secretary. • The DHS CFO will continue to meet at least monthly with DHS Components to review the status of progress against the MAPs and upcoming completion dates for actions under way, and to address audit risks and mitigation strategies. The meetings are held on a regular basis based on the level of risk identified for that particular Component. • The Chief Financial Officer (CFO) is working closely with Components to standardize business processes and internal controls, implement a common line of accounting, maintain data quality standards, and provide oversight and approval for any proposed efforts for financial system upgrade or replacement projects. This will increase data sharing capabilities and interoperability, will minimize the time required to crosswalk data elements, and will include applicable Federal and national standards to provide the foundation for accurate, timely, and reliable Departmental financial reporting.
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Future Plans

Projected Dec 2012 Rating	Planned Activities					
<table border="1" style="width: 100%; text-align: center;"> <tr><td>Fully Addressed</td></tr> <tr><td>Mostly Addressed</td></tr> <tr><td>Partially Addressed</td></tr> <tr><td>Initiated</td></tr> <tr><td>Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> • Provide oversight/monitor Component assessments as they relate to the FY 2012 internal control assessment plan over the Statements of Net Cost, Net Position and Budgetary Resources. Results of the assessment will support the Secretary’s annual assurance statement. This process demonstrates management’s responsibility to establish and maintain effective control over the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. • Continue to meet at least monthly with Components to focus efforts on critical areas identified by the independent auditor and monitor progress. • Incorporate results of quarterly risk assessments into the risk management meetings for monitoring/oversight. In addition, review revised risk assessments from Components each quarter. • Evaluate risk assessments and develop procedures to periodically analyze and recommend changes to Component MAPs. • Continue to monitor Component progress against MAPs and POA&Ms and identify any additional risks. • The DHS CFO will meet at least monthly with DHS Components to review the status of progress against the risk management plans and review upcoming completion dates for actions under way.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Financial Management Outcome #6

Outcome Lead: Christine Rodriguez

Outcome Executive: Larry Bedker

GAO Outcome: *Compliance with FFMIA* - Adhere to financial system requirements in accordance with the Federal Financial Management Improvement Act of 1996 (FFMIA), and have independent auditors report annually on compliance with the Act.

Contributing Initiatives:

- Initiative 1 - Financial System Improvement and Modernization
- Initiative 2 – Financial Management and Controls

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<ul style="list-style-type: none"> • One of the goals of the Transformation and Systems Consolidation (TASC) Program was to deliver a FFMIA compliance solution for DHS. Due to the cancellation of TASC and newly adopted decentralized approach to financial management system modernization, each of the six DHS financial management systems will be assessed for FFMIA compliance. Even with a decentralized approach to financial systems modernization (FSM), the independent auditor noted that in FY 2011 DHS had taken positive steps towards full compliance with FFMIA. Therefore, we consider this GAO Outcome partially addressed. • DHS is participating in the Office of Management and Budget (OMB)/ Department of Treasury Working Groups to assist in formulating the new FFMIA. • The Federal Law Enforcement Training Center’s (FLETC) financial system is compliant with FFMIA requirements. The remaining five financial systems are being assessed as part of the FSM efforts under the guidance of the Department. • The Chief Financial Officer (CFO) is working closely with Components to standardize business processes and internal controls, implement a common line of accounting, maintain data quality standards, and provide oversight and approval for any proposed efforts for financial system upgrade or replacement projects. This will increase data sharing capabilities and interoperability, will minimize the time required to crosswalk data elements, and will include applicable Federal and national standards to provide the foundation for accurate, timely, and reliable Departmental financial reporting. • In FY 2012, the DHS CFO and the Chief Information Officer (CIO) will provide direct support to Components and continue to focus on corrective actions related to the overall Department level information technology (IT) material weakness identified in the FY 2011 financial statement audit. This approach focuses on Components contributing to the material weakness and prioritizing efforts on IT Notice of Findings and Recommendations (NFRs) with the highest severity in an effort to remediate the highest-risk IT NFRs.



Future Plans						
Projected Dec 2012 Rating	Planned Activities					
<table border="1"> <tr> <td>Fully Addressed</td> </tr> <tr> <td>Mostly Addressed</td> </tr> <tr> <td>Partially Addressed</td> </tr> <tr> <td>Initiated</td> </tr> <tr> <td>Not Initiated</td> </tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> Assess the current state of Component financial management systems, including FFMI compliance and audit schedule.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Financial Management Outcome #7

Outcome Lead: Christine Rodriguez

Outcome Executive: Larry Bedker

GAO Outcome: *Embrace Best Practices* - Embrace best practices, including those developed by the Institute of Electronic Engineers (IEEE) and the Software Engineering Institute, when developing and documenting the Department’s current financial system modernization strategy; and plan to foster the development of its financial systems that meets expected performance and functionality targets.

Note: This Outcome language was revised for the June 2012 update based on discussions and agreement between GAO and the DHS OCFO staff in May 2012.

Contributing Initiatives:

- Initiative 1 - Financial System Improvement and Modernization

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<p>LEGEND > Dec. 2011 <</p>	<ul style="list-style-type: none"> • The DHS Chief Financial Officer (CFO) has performed extensive market research to assist with the modernization efforts. Components have leveraged this research to assist with their assessment and analysis. In addition, the Financial Management Systems Branch (FMSB) has facilitated market research session incorporating guest speakers and presenters, such as the Office of Management and Budget (OMB) designated Federal Shared Services Providers (FSSPs). • DHS’s Approach to Financial Management Systems Modernization requires Component compliance with applicable DHS system engineering life-cycle (SELC) and acquisition requirements and directives. The CFO briefed Component stakeholders on the DHS Approach to Financial Management Systems Modernization, including key goals and objectives, while highlighting the importance of compliance with applicable DHS SELC and acquisition requirements and directives. • As a result of A-123 assessments and Notice of Findings and Recommendations (NFRs) identified in the FY 2011 financial statement audit, Components developed Plans of Action and Milestones (POA&Ms) as required by the DHS Sensitive Systems Policy Directive 4300A. The DHS CFO and Chief Information Officer (CIO) provide direct support to Components and continue to focus on corrective actions related to the overall Department-level information technology (IT) material weakness identified in the FY 2011 financial statement audit. This approach focuses on Components contributing to the material weakness and prioritizing efforts on IT NFRs with the highest severity in an effort to remediate the highest-risk NFRs. • The CFO is working closely with Components to standardize business processes and internal controls, implement a common line of accounting, maintain data quality standards, and provide oversight and approval for any proposed efforts for financial system modernization projects. Component POA&M progress and remediation is monitored throughout the fiscal year through Component Risk Management meetings, and the DHS CFO is also conducting verification and validation (V&V) over IT NFR remediation. • The DHS CFO developed a Financial System Modernization (FSM) Governance Plan. The Plan details the roles and responsibilities of the Components, DHS CFO, DHS Office of the CIO and the Office of Program Accountability and Risk Management (PARM). The Governance Plan is flexible and accommodates varying levels of effort and project scopes. • The DHS CFO created a Business Intelligence (BI) Concept of Operation (ConOps) that describes the problems the BI program is to address, the proposed solutions to those problems, and the program’s operational vision. The format of the document follows the accepted IEEE standard for Concept of



	<p>Operations documents.</p> <ul style="list-style-type: none"> The DHS OCFO established the Financial Management Systems Working Group to foster collaboration and information sharing across the Department. In addition, this forum is used to communicate upcoming requirements of both internal and external stakeholders, such as Treasury. 					
<p>Future Plans</p>						
<p>Projected Dec 2012 Rating</p>	<p>Planned Activities</p>					
<table border="1"> <tr><td>Fully Addressed</td></tr> <tr><td>Mostly Addressed</td></tr> <tr><td>Partially Addressed</td></tr> <tr><td>Initiated</td></tr> <tr><td>Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> As outlined in the DHS FSM Governance Plan, the DHS CFO will collaborate with Components throughout the financial management system life-cycle. The DHS CFO, along with the CIO, CPO, PARM, and Components will work to ensure financial system modernization projects are planned and executed to meet reporting requirements, minimize costs for financial operations, and make certain that financial management systems provide for the systematic measurement of performance and have management controls in place to support the DHS mission. The DHS CFO will continue to lead this effort by providing guidance and policy for financial system modernization projects. The Department will conduct required independent V&V over Components' major modernization efforts. The DHS CFO will issue a new Financial Management System Modernization Playbook. The purpose of the Playbook is to introduce the Department's plan for strengthening financial system modernization and BI capabilities as we prioritize essential system modernization for Components with the most critical need.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Financial Management Outcome #8

Outcome Lead: Christine Rodriguez

Outcome Executive: Larry Bedker

GAO Outcome: *Contractor Oversight* - Establish contractor oversight mechanisms to monitor the contractor(s) selected to implement new or upgrade existing Components' financial systems throughout the Department.

Note: This Outcome language was revised for the June 2012 update based on discussions and agreement between GAO and the DHS OCFO staff in May 2012.

Contributing Initiatives:

- Initiative 1 - Financial System Improvement and Modernization

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<p>LEGEND > Dec. 2011 <</p>	<ul style="list-style-type: none"> • DHS established a new, decentralized strategy for modernizing its financial management systems. Rather than pursue an enterprise-wide, already-integrated system, the Department will pursue essential system modernization for Components with the most critical need. . For any new or upgraded systems, DHS Components are required to establish appropriate oversight mechanisms. The Department has established this requirement. Therefore, we consider this GAO Outcome fully addressed. • The DHS Chief Financial Officer (CFO), Chief Information Officer (CIO), Chief Procurement Officer (CPO), the Office of Program Accountability and Risk Management (PARM), and Components are working together to ensure financial system modernization projects are planned and executed to meet reporting requirements, minimize costs for financial operations, and make certain that financial management systems provide for the systematic measurement of performance and have management controls in place to support the DHS mission. • DHS has established the requirement for the Under Secretary for Management (USM) approval of all system modernizations or enhancements before any expenditure of funds. • The DHS CFO established the Financial Management Systems Branch (FMSB) in August 2011, reallocating resources with expertise in financial management, internal control, cost estimating, performance measurement, risk management, organizational change and communications. The FMSB is responsible for governance and oversight of all Component Financial Management initiatives to ensure that Department needs are met.
Future Plans	
Projected Dec 2012 Rating	Planned Activities
	<ul style="list-style-type: none"> • As outlined in the DHS Financial System Modernization Governance Plan, the DHS CFO will collaborate with Components throughout the financial management system life-cycle. • The Department will conduct required independent verification and validation (IV&V) over Component financial system modernization efforts. • The DHS CFO will issue a new Financial Management System Modernization Playbook. The purpose of the Playbook is to introduce the Department's plan for strengthening financial system modernization and business intelligence capabilities as we prioritize essential system modernization for Components with the most critical need.



Financial Management Outcome #9

Outcome Lead: Christine Rodriguez

Outcome Executive: Larry Bedker

GAO Outcome: *Financial Systems Modernization Deployment* - Successfully implement new or upgrade existing Components' financial systems, as needed, throughout the Department, including the Coast Guard, Federal Emergency Management Agency, and Immigration and Customs Enforcement.

Note: This Outcome language was revised for the June 2012 update based on discussions and agreement between GAO and the DHS OCFO staff in May 2012.

Contributing Initiatives:

- Initiative 1- Financial System Improvement and Modernization

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<p> Fully Addressed Mostly Addressed Partially Addressed Initiated Not Initiated </p> <p> LEGEND > Dec. 2011 < </p>	<ul style="list-style-type: none"> • Due to the cancellation of the Transformation and Systems Consolidation (TASC) program, the Department has adopted a decentralized approach to financial management system modernization. The DHS Chief Financial Officer (CFO), Chief Information Officer (CIO), Chief Procurement Officer (CPO), Office of Program Accountability and Risk Management (PARM), and Components are working to ensure financial system modernization projects are planned and executed to meet reporting requirements, minimize costs for financial operations, and make certain that financial management systems provide for the systematic measurement of performance and have management controls in place to support the DHS mission. DHS has established the requirement for Under Secretary for Management (USM) approval of all system modernization or enhancements before any expenditure of funds. Therefore, we consider this GAO Outcome partially addressed. • The DHS CFO established the Financial Management Systems Branch (FMSB) in August 2011, reallocating resources with expertise in financial management, internal control, cost estimating, performance measurement, risk management, organizational change and communications. The FMSB is responsible for governance and oversight of all Component Financial Management initiatives to ensure that Department needs are met. • FEMA determined that a technical refresh of the existing Integrated Financial Management Information System (IFMIS) is necessary to continue sustaining operations at current levels. The technical refresh will improve the existing infrastructure and improve system stability. It is also expected to extend the useful life of IFMIS for 3 to 5 years.



Future Plans						
Projected Dec 2012 Rating	Planned Activities					
<table border="1"> <tr> <td>Fully Addressed</td> </tr> <tr> <td>Mostly Addressed</td> </tr> <tr> <td>Partially Addressed</td> </tr> <tr> <td>Initiated</td> </tr> <tr> <td>Not Initiated</td> </tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> • The US Coast Guard (USCG), Immigration and Customs Enforcement (ICE), and the Federal Law Enforcement Training Center (FLETC) will each complete an analysis of alternatives (AoAs) during FY 2012. • The DHS CFO will provide appropriate levels of governance and oversight to solutions upgrade at US Secret Service (USSS) and FLETC. • The DHS CFO, CIO, CPO, PARM, and Components will work together to ensure financial system modernization projects are planned and executed to meet reporting requirements, minimize costs for financial operations, and make certain that financial management systems provide for the systematic measurement of performance and have management controls in place to support the DHS mission. The DHS CFO will continue to lead this effort by providing guidance and policy for financial system modernization projects. • The DHS CFO will monitor the Federal Emergency Management Agency’s (FEMA) technical refresh implementation through completion in early FY 2013.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Human Capital Management Outcome #1

Outcome Lead: Caroline Chang

Outcome Executive: Catherine Emerson

GAO Outcome: *Implement Human Capital Plan* - Develop and demonstrate sustained progress implementing a results-oriented strategic human capital plan that identifies the department's goals, objectives, and performance measures for strategic human capital management and is linked to the department's overall strategic plan.

Contributing Initiatives:

- Initiative 3 - DHS Workforce Strategy
- Initiative 6 - HRIT
- Initiative 9 – IT Human Capital Management

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<div style="border: 1px solid gray; padding: 5px;"> <p>Fully Addressed</p> <p style="background-color: #0070C0; color: white; padding: 2px;">Mostly Addressed</p> <p style="border: 1px solid gray; padding: 2px;">Partially Addressed</p> <p>Initiated</p> <p>Not Initiated</p> </div> <div style="border: 1px solid gray; padding: 5px;"> <p>LEGEND</p> <p>➤ Dec. 2011 ◀</p> </div>	<p><i>DHS Workforce Strategy Metrics Working Group</i></p> <ul style="list-style-type: none"> • Meets on a quarterly basis; most recent meeting was held March 8, 2012. • Introduced a new member of the OCHCO team who is devoting the majority of her time to analyzing the data and working with Components. • Discussed process improvements for data collection and operational plan development and sharing. The group made suggestions for changes to the performance measures, particularly in areas where the desired data is not currently available. • Collected and reviewed FY 2012 Human Capital Operational Plans for the majority of Components (USCIS, USSS, USCG, CBP and TSA); following up with those Components that have yet to submit their plans (ICE, FLETC, FEMA and Headquarters). • Collected all available data at the Component and Headquarter levels for FY 2011 and are analyzing. A large piece of the analysis will center on recommendations for how to modify performance measures and data collection for the future. <p><i>Higher-Level Leadership</i></p> <ul style="list-style-type: none"> • Met with the Secretary’s Counselor on April 27 to provide a status update. • Providing a status update / re-engage the Human Capital Leadership Council (HCLC) at the June HCLC meeting. • Received Deputy Secretary approval and signoff on the HRIT Strategic Plan FY 2012-2016 in April 2012. This groundbreaking strategy was a collaborative effort directed by the HRIT Executive Steering Committee (ESC) involving all DHS Human Capital and Training leadership, Chief Information Officers (CIOs) and key Management Directorate stakeholders. The HRIT strategy aligns with and supports the goals and objectives set forth in DHS Workforce Strategy and the CIO’s Information Technology Strategic Plan. • Migrated the Office of the Inspector General (OIG) to the enterprise time and attendance system (WebTA) in February 2012 achieving the FY2012 target performance measure and further reducing redundancy of HRIT systems. • Signed a Memorandum of Understanding with FEMA (January 2012) and awarded a contract to provide services for a Personnel Accountability System (PAS) in compliance with FCD-1 (April 2012).



	<p><i>IT Human Capital Initiative</i></p> <ul style="list-style-type: none"> DHS OCIO completed the DHS IT Human Capital Implementation Plan and is in Phase III of execution. Initiating planning for IT organizational development and change management that build upon IT Human Capital activities to support long-term development of the IT Community including workforce planning. 					
Future Plans						
Projected Dec 2012 Rating	Planned Activities					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Fully Addressed</td></tr> <tr><td style="text-align: center;">Mostly Addressed</td></tr> <tr><td style="text-align: center;">Partially Addressed</td></tr> <tr><td style="text-align: center;">Initiated</td></tr> <tr><td style="text-align: center;">Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> Recommend changes to the DHS Workforce Strategy Metrics Working Group to ensure that the data collected will be actively and strategically used. The original set of measures included data items that are very difficult or impossible to attain given current systems. Continue to work on a data reporting tool that will allow DHS to compare similar data across Components on a regular basis; an interactive tool is intended to increase transparency and enable the sharing of data and best practices. Continue to hold quarterly meetings of the DHS Workforce Strategy Metrics Working Group. Will brief the HCLC, the Secretary and other leadership to provide updates on the implementation of the DHS Workforce Strategy as appropriate Deploy PAS to FEMA, USCIS, ICE, FLETC, and DHS HQ in Q4 FY12. Establish Enterprise Human Capital Portfolio Governance Structure to include IT and Non-IT investments. Identify Enterprise Human Capital Strategic Sourcing opportunities.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Human Capital Management Outcome #2

Outcome Lead: Debra Tomchek

Outcome Executive: Catherine Emerson

GAO Outcome: *Link Workforce Planning to Program Planning* - Link workforce planning efforts to strategic and program-specific planning efforts to identify current and future human capital needs, including the size of the workforce, its deployment across the department and components, and the knowledge, skills, abilities, and diversity needed for the agency to meet its goals and objectives.

Contributing Initiatives:

- Initiative 3 – Workforce Strategy
- Initiative 4 – Workforce Planning and Balanced Workforce
- Initiative 6 – HRIT
- Initiative 9 – IT Human Capital Management
- Initiative 13 – Acquisition Workforce Development

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<div style="border: 1px solid #ccc; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center; background-color: #d9d9d9; margin: 0;">Fully Addressed</p> <p style="text-align: center; background-color: #0070c0; color: white; margin: 0;">➤ Mostly Addressed ◀</p> <p style="text-align: center; background-color: #0070c0; color: white; margin: 0;">Partially Addressed</p> <p style="text-align: center; background-color: #0070c0; color: white; margin: 0;">Initiated</p> <p style="text-align: center; background-color: #0070c0; color: white; margin: 0;">Not Initiated</p> </div> <div style="border: 1px solid #ccc; padding: 5px;"> <p style="text-align: center; background-color: #d9d9d9; margin: 0;">LEGEND</p> <p style="text-align: center; margin: 0;">➤ Dec. 2011 ◀</p> </div>	<p><i>Workforce Planning</i></p> <ul style="list-style-type: none"> • Enhanced the SharePoint team site for the Workforce Planning Council by updating membership, developing content, and establishing new pages related to current initiatives. • Designed and launched a web page for DHS mission critical occupations (MCOs) on the DHS intranet to communicate them to all Components (March 15, 2012). • Held six Workforce Planning Council meetings to facilitate information sharing, increase collaboration and drive results on current projects. • Integrated Strategic Human Capital Management (SHCM) High Risk Initiative skill gap closure processes and requirements into Workforce Planning Council discussions. • Held three competency working group meetings to build the foundation for the Departmental approach for competencies, competency models, and competency assessments. • Briefed leadership across Management on the DHS Human Capital Dashboard (December 19, 2011). • Continued to enhance and streamline the DHS Human Capital Dashboard and entered the Q4 FY 2011 version into a new validation process with the Human Capital Leadership Council (January 23, 2012). • Provided streamlined, Component-validated Q4 FY 2011 version of the Human Capital Dashboard to the Under Secretary for Management (USM) and other DHS senior leadership (March 2012). • Participating in the Management Dashboard Business Intelligence Steering Group to ensure Office of the Chief Human Capital Officer (OCHCO) efforts at dashboard reporting reflect the direction of other Management lines of business. • Developed DHS-wide data extracts process in support of the Human Capital Dashboard measures, including data standardization in alignment with the Office of the Chief Information Officer's (OCIO) data management initiative for the Management Directorate (MGMT). • Using newly-established processes to accelerate production and release of the Q1 and Q2 FY 2012 versions of the DHS Human Capital Dashboard. • Continuing to gather information and assess Component needs in anticipation of revisions to the Workforce Planning Guide for FY 2012.



- Reviewed SHCM High Risk Initiative tools and templates for identifying and reducing skill gaps for possible inclusion in the Workforce Planning Guide.
- Expanded on the DHS Competency Model Library by engaging in an environmental scan and robust dialog on the use of competencies and competency models across DHS.
- Established a community of cross-Department competency subject matter experts (SMEs) and hosted three competency-focused workshops to develop and solidify the DHS standardized approach.
- Developed and deployed a common competency taxonomy that includes a standardized competency definition for the Department.
- Developed a competency framework that integrates DHS core competencies, Component-specific general competencies, and technical competencies associated with a particular occupational series or role. The framework was tested and validated by Components SMEs.
- DHS OCIO completed an IT Competency Users Guide, and is working closely with OCHCO and the National Protection and Programs Directorate (NPPD) regarding the National Initiative on Cyber security Education (NICE) framework and cyber security competencies. Continuing efforts with IT competencies and linkage to an IT Career Path Framework.
- Represented DHS at the cross-Government SHCM High Risk Initiative Interagency Product Team (IPT) at 9 bi-weekly meetings between December 2011 and April 2012.
- Served as DHS advisors on the cross-Government Competency Advisory team to establish competency assessment survey standards. Applied the methodologies for prioritizing MCOs and competencies and conducting a staffing gap analysis and planning for competency assessments to DHS.
- Conducted cross-Component briefings of current approaches to competency assessment including methodologies, tools, and processes.
- Evaluated the Government-wide approach to competency assessments and established a strategy for the integration into DHS practices.

Balanced Workforce Strategy

- Produced the FY 2010 Service Contractor Inventory Analysis and provided to the Office of Management and Budget (OMB) ahead of deadline (December 29, 2011).
- Provided Components with FY 2011 contracts for Balanced Workforce Strategy (BWS) review in anticipation of next Analysis report (April 2012).
- Initial data aggregation and analysis for FY 2011 Service Contractor Inventory Analysis is underway.
- Finalized the business case for the new BWS Tool/System for presentation to the DHS Working Capital Fund Board (January 2012).
- Presented the BWS Tool/System analysis of alternatives, and recommendations for next steps, to the Department's HRIT Executive Steering Committee. Received approval on January 13, 2012.
- Convened a Component working group to discuss the proposed statement of work for the new Balanced Workforce Tool/System and document needed modifications (March 19, 2012).
- Working collaboratively with Human Capital Business Systems, OCIO, and the Office of Procurement Operations (OPO) to complete the procurement package to acquire an upgraded BWS Tool/System to determine the appropriate mix of federal and contractor employees for specific work functions and provide advanced analysis and reporting capabilities.
- Created detailed diagrams to describe new and re-competed work reviews and clarify questions for Components (December 2011 and April 2012).
- Briefed the DHS Head of Contracting Activity Council on the new and re-competed work review process (February 27, 2012).
- Attended the Civilian Agency Acquisition Council (CAAC) meeting for discussion concerning OMB



guidance that affects the implementation of new and re-competed work pilot (April 11, 2012).

- Held internal meetings to compile Component questions and feedback in order to improve new work process guidance and streamline requirements, December 2011 through June 2012.
- Extended initial phase of the pilot through June 30, 2012, at which point OCHCO and the Office of the Chief Procurement Officer (OCPO) will begin a thorough assessment to determine lessons learned.
- Continuing to compile feedback on potential process improvements.
- Held Executive Steering Group (ESG) meeting to discuss updated version of the current BWS Tool, issues related to small business contract reviews, Component concerns, and the pilot for new and re-competed work; (December 15, 2011).
- Held ESG meeting to discuss upcoming briefings with Congress, GAO report on “Managing Service Contracts,” OMB Service Contract Inventory Analysis report requirements, and progress on the new BWS Tool/System (February 16, 2012).
- Held ESG meeting to discuss cost comparison analysis issues, changes to BWS process forms, pending data calls on progress, and Component concerns (April 11, 2012).
- Held more than ten Departmental Working Group (DWG) meetings to review contracts and resolve issues with current and new contract review processes (December 2011 through April 2012).
- Conducted six training sessions between December 2011 and April 2012.
- Currently developing webinar versions of training sessions and exploring additional alternatives to in-person training.
- Issued Monthly Report update to Components and revised internal tracking data (December 2011).
- Launched data validation effort to confirm Component reports on progress with sourcing decision implementations (January 2012).
- Continuing to implement revisions to the Quarterly Report format based on lessons learned. New Report to be distributed to leadership soon.

Acquisition Workforce Development

- Revised Acquisition Certification Policies in Test and Evaluation, Cost Estimating, Program Financial Management, Federal Acquisition Certification-Contracting (FAC-C), Lifecycle Logistics and Federal Acquisition Certification-Contracting Officer’s Representative (FAC-COR) Acquisition Certification Policy.
- Graduated 58 (program total) trained, Level II certified contracting personnel from the Acquisition Professional Career Program (APCP) and assigned throughout DHS Headquarters and Components.
- Developed an acquisition workforce member definition that encompasses the entire acquisition workforce.
- Delivered 331 classes for 6,813 students throughout DHS in FY 2011 with an overall satisfaction rating of 4.29 (based on a 5-pt. Likert Scale).



Future Plans						
Projected Dec 2012 Rating	Planned Activities					
<table border="1"> <tr><td>Fully Addressed</td></tr> <tr><td>Mostly Addressed</td></tr> <tr><td>Partially Addressed</td></tr> <tr><td>Initiated</td></tr> <tr><td>Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<p><i>Workforce Planning</i></p> <ul style="list-style-type: none"> • Conduct meetings of the Workforce Planning Council (WPC) to promote coordination, efficiency, and collaboration; hold three meetings before September 30, 2012. • Produce Q1 and Q2 FY 2012 Human Capital Indicators (Dashboard) reports for DHS Senior Leadership by June 30, 2012. • Make revisions to the Workforce Planning Guide and prepare for publication of updated version; begin drafting process in August 2012. • Continue to document the process used in the Department to develop, validate, and implement competency models (or equivalent methods) for MCOs. • Continue to evaluate using a Department-wide survey approach for competency assessment. • Continue to align DHS competency efforts with strategies devised by SHCM High Risk Initiative IPT for identifying and reducing skill gaps. • Use SHCM guidance to complete Human Capital Management Report (HCMR) deliverable and conduct “root cause analyses” of staffing gaps by June 30, 2012. <p><i>Balanced Workforce Strategy</i></p> <ul style="list-style-type: none"> • Support Component BWS analyses of FY 2011 contracts in order to complete the FY 2011 Service Contract Inventory Analysis report required by the Office of Management and Budget in December 2012. • Finalize the strategy for procuring and implementing the new BWS Tool/System platform; issue Request for Proposal (RFP). • Continue to evaluate the pilot BWS process for reviewing new and re-competed contract work; set up a formal “review team” with the OCPO. • Conduct meetings of the BWS Executive Steering Group (ESG) and Departmental Working Group (DWG) to promote coordination, efficiency, and collaboration; hold four meetings before December 30, 2012. • Develop additional training content and conduct training on one or more steps of the BWS process for Components. • Revise and reissue the BWS Quarterly Report for senior leadership. <p><i>Acquisition Workforce Development</i></p> <ul style="list-style-type: none"> • Establish new DHS Program Manager (PM) competencies based upon revised Federal Acquisition Certification-Project/Program Manager (FAC P/PM) policy and evolving DHS requirements. • Develop new metrics to better gauge the impact that the acquisition workforce development programs have on performance and the execution of acquisition programs. • Graduate and place 41 acquisition professionals from APCP, including first cohort of PMs and Systems Engineers. • Open the doors to the new Joint Training Center; first classes begin the week of October 1, 2012.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Human Capital Management Outcome #3

Outcome Lead: Ginny Berry

Outcome Executive: Nimesh M. Patel

GAO Outcome: *Recruiting and Outreach Strategy* – Develop and demonstrate sustained progress in implementing a recruiting and hiring strategy that is targeted to fill both short- and long-term needs, and specifically to fill identified human capital gaps, including diversity and foreign language gaps.

Contributing Initiatives:

- Initiative 3 – Workforce Strategy
- Initiative 4 – Workforce Planning and Balanced Workforce
- Initiative 5 – Outreach and Targeted Recruitment
- Initiative 9 – IT Human Capital Management

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<ul style="list-style-type: none"> • In December 2011, the Secretary signed the DHS Coordinated Recruiting and Outreach Strategy (CROS), designed to guide outreach and recruitment efforts across DHS; enabling the systematic development of operational strategies with action plans that meet our overall objectives, which include: <ul style="list-style-type: none"> ○ Reduce duplication of effort; ○ Leverage outreach and recruiting resources; ○ Integrate recruiting and outreach plans across the DHS enterprise; ○ Decrease agency outreach and recruiting costs where applicable; and ○ Present a unified DHS image. • DHS is implementing the CROS in phases. The first two pilots will be completed in FY12 and the remaining three sessions will be conducted over the course of FY13. Upon completion of the pilots, DHS will analyze feedback and lessons learned and make any necessary adjustments to the national rollout plan. • The Undersecretary for Management (USM) has designated the CROS as a key management initiative for regular review and discussion among Department functional leaders. • Specific CROS related goals and measures are included in Executive Lead performance plans. • Specific CROS related goals and measures are included in the Lead Manager’s performance plans and other responsible employees within Diversity and Inclusion. • Established common Return on Investment (ROI) measures (e.g., % of diverse candidates at event, number of vacancies in event area). • Created baseline of DHS recruiting processes and metrics. • Developed Department-wide policies and Component-specific methods for tracking and reviewing veteran applications • Developed and rolled out Veterans Preference and Uniformed Services Employment and Reemployment Rights Act (USERRA) training for EEO/HR Professionals • Developed ROI reporting process and identified stakeholder reporting requirements. • Developed mission critical snapshots for all Components and included in recruiting strategies of



	<p>Component Portfolios.</p> <ul style="list-style-type: none"> • Developed draft interim plan to manage national recruiting and outreach resources. • Began on the job training for portfolio managers. • Developed an IT Recruitment Strategy and Plan, and Recruitment Guide. Implementing an on-going and integrated approach to IT recruitment through the establishment of an IT Recruitment Cadre. To-date, participated in series of IT job fairs (Dec 2011 and Feb 2012) using the integrated approach to maximize effectiveness. Executing outreach efforts to universities with presentations scheduled fall 2012. 					
<p>Future Plans</p>						
<p>Projected Dec 2012 Rating</p>	<p>Planned Activities</p>					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; background-color: #f2f2f2;">Fully Addressed</td> </tr> <tr> <td style="text-align: center; background-color: #e1eef6;">Mostly Addressed</td> </tr> <tr> <td style="text-align: center; background-color: #cfe2f3;">Partially Addressed</td> </tr> <tr> <td style="text-align: center; background-color: #a1c9c9;">Initiated</td> </tr> <tr> <td style="text-align: center; background-color: #76a5af;">Not Initiated</td> </tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> • Continue on-the-job training for portfolio managers. (Q4 FY2012) • Incorporate MD-715, Disabled Veterans Affirmative Action Plan (DVAAP) and Federal Equal Opportunity Report (FEORP) objectives into annual plans for Departmental oversight. (Q4 FY2012) • Determine enterprise recruiting and outreach needs. (Q4 FY2012) • Develop interim plan to manage national recruiting and outreach resources. (Q4 FY 2012) • Develop Department level recruiting and outreach plan based on Component Portfolio information. (Q1 FY 2013) • Fine-tune ROI reporting process and identify stakeholder reporting requirements.(Q1 FY 2013) • Develop mission critical snapshots for all Components and include in recruiting strategies of Component Portfolios. (Q1 FY 2013) • Implement national recruiting plan and cadre concept using a pilot rollout. Pilot phase scheduled to complete in Q4 FY 2013. • Identify (name, location, etc.) each recruiting and outreach resource and group by regions. (Note: reprioritized based on new strategy – timeframe is Q4 FY 2013) • Form a working group to create a framework that centralizes the processes involved in recruiting-related advertising and marketing activities in order to ensure a One-DHS image.(Q1 FY 2014) • Begin development of recruiting and outreach plans for MCOs. (Note: reprioritized based on new strategy – timeframe is FY14) • Outline process in the development of cross cutting MCO strategies (e.g., IT specialists). (Note: reprioritized based on new strategy – timeframe is FY14) • Form working group to create a framework that centralizes processes involved in recruiting-related advertising and marketing activities. (Note: reprioritized based on new strategy – timeframe is FY14) • Identify marketing and advertising requirements and SharePoint capabilities. (Note: reprioritized based on new strategy – timeframe is FY14) • Collect and analyze parameters on marketing and advertising. (Note: reprioritized based on new strategy – timeframe is FY14)
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Human Capital Management Outcome #4

Outcome Lead: Jeanarta McEachron

Outcome Executive: Shawn Flinn

GAO Outcome: *Leverage Competencies and Individual Performance* - Base hiring decisions, management selections, promotions, and performance evaluations on human capital competencies and individual performance in order to support the agency's overall goals and missions.

Contributing Initiatives:

- Initiative 3 - DHS Workforce Strategy
- Initiative 6 - HRIT
- Initiative 9 – IT Human Capital Management

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center;">Fully Addressed</p> <p style="text-align: center;">➤ Mostly Addressed ◀</p> <p style="text-align: center;">Partially Addressed</p> <p style="text-align: center;">Initiated</p> <p style="text-align: center;">Not Initiated</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">LEGEND</p> <p style="text-align: center;">➤ Dec. 2011 ◀</p> </div>	<p><i>Performance Appraisal Assessment Tools</i></p> <ul style="list-style-type: none"> • Per an agreement with OPM, DHS delivered the first group of Component Performance Appraisal Assessment Tools (PAATs) to OPM on March 15. FEMA and CBP are due June 15, 2012. <p><i>Hiring Reform</i></p> <ul style="list-style-type: none"> • Developed and deployed DHS Hiring Manager training to Components for implementation in December 2010. The training focuses on effective, efficient, and timely ways to recruit and hire well-qualified candidates. It highlights the importance of partnering with human resources officials on the identification of core/technical competencies early in the hiring process. • Collected, reviewed, and approved Component training implementation plans in February 2011. • Periodically review Component progress since May 2011. Received certification from Component human resource (HR) Directors indicating that 90% of the identified population has completed the hiring manager training in January 2012. To date, over 90% of identified hiring managers have been trained on their roles and responsibilities in the hiring process. • Worked with the Learning and Development team to ensure that hiring manager training was incorporated into the Cornerstone Leadership Program in January 2012. <p><i>Accountability</i></p> <ul style="list-style-type: none"> • A formal accountability program is in place which ensures hiring decisions are legal and compliant through the conducting of Human Resources Operations Audits (HROA) and Delegated Examining (DE) Audits. • Completed 2 HROAs (CBP and ICE) and 2 DE Audits (ICE Laguna and Dallas Hiring Centers) for FY2012. • Reviewing HROA and DE audit outputs and communicating results. <p><i>DHS Merit Promotion Program</i></p> <ul style="list-style-type: none"> • Conducted brainstorming session to identify strategy for discussing with Components and target audience in June 2011.



	<ul style="list-style-type: none"> Met with Component representatives to develop recommendations for consideration by Office of the Chief Human Capital Officer (OCHCO) leadership in July 2011. Recommendations presented to and approved by OCHCO leadership in November 2011. Updated the following DHS guidance: draft merit promotion policy, merit promotion job opportunity announcement (JOA) template; and JOA checklist in February 2012. Issued DHS guidance to Components requiring modification of their standard operating procedures to require selecting officials to give due weight to performance appraisals and incentive awards in merit promotion selection decisions in February 2012 <p><i>DHS Talent Management</i></p> <ul style="list-style-type: none"> Completed procurement package and released a request for proposal (RFP) in Q3 FY 2012 for an enterprise Talent Management System that provides a single Learning Management System integrated with Employee Performance Management and Appraisal.
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Future Plans

Projected Dec 2012 Rating	Planned Activities
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Fully Addressed
Mostly Addressed
Partially Addressed
Initiated
Not Initiated

	<p><i>Performance Management Tool</i></p> <ul style="list-style-type: none"> All system requirements for procurement of an electronic performance management and appraisal tool have been approved by the HRIT ESC. (Q3 FY2013) <p><i>Hiring Reform</i></p> <ul style="list-style-type: none"> Continue to monitor completion of training for remaining 10% of identified population. Work with Enterprise Learning and Development to ensure the Hiring Manager Training is incorporated into the mandatory supervisor training requirements moving forward. Explore ways to convert in-person training to e-learning format for continuity purposes. <p><i>Accountability</i></p> <ul style="list-style-type: none"> HROA and DE audits have been scheduled for FY2012 to ensure compliance with Merit System Principles and with law, regulation, and policy. <p><i>DHS Merit Promotion Program</i></p> <ul style="list-style-type: none"> Continue to monitor progress to ensure proper implementation <p><i>DHS Talent Management</i></p> <ul style="list-style-type: none"> Award contract for enterprise Talent Management System that provides a single Learning Management System integrated with an employee performance management provided as a hosted service Department-wide.
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Human Capital Management Outcome #5

Outcome Lead: Jeanarta McEachron

Outcome Executive: Shawn Flinn

GAO Outcome: *Employee Input* - Seek employees' input on a periodic basis and demonstrate measurable progress in implementing strategies to adjust human capital approaches.

Contributing Initiatives:

- Initiative 3 - DHS Workforce Strategy
- Initiative 6 - HRIT

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<ul style="list-style-type: none"> • The DHS-wide Exit Survey is a big step forward for the Department in terms of better business intelligence to inform activities associated with employee engagement, retention and satisfaction. The DHS Exit Survey was developed with Component input and is currently in-use across the Department. • Survey data is shared with the Office of Civil Rights and Civil Liberties, and the Diversity, Recruitment, and Veteran's Outreach team to facilitate the identification of barriers to diversity. • Survey data is shared with Component points of contact for their use in retention efforts. • Evaluated alternatives for a new survey software tool to more fully meet DHS needs resulting in the decision to purchase an IBM tool. • Some Components have established Employee Advisory Councils to focus on employee satisfaction and morale issues. Components also conduct town halls, publish newsletter and use other forums for sharing information with employees and answering their questions.
Future Plans	
Projected Dec 2012 Rating	Planned Activities
	<ul style="list-style-type: none"> • Acquire a new survey software tool that more fully meets DHS needs and facilitates standardization of processes. (Q1 FY 2013) • Coordinate with off-boarding standardization efforts to ensure that an automated trigger to take the DHS Exit Survey is captured as a requirement.



Human Capital Management Outcome #6

Outcome Lead: Jeanarta McEachron

Outcome Executive: Shawn Flinn

GAO Outcome: *Federal Employee Viewpoint Survey* - Improve DHS's scores on the Office of Personnel Management's 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. DHS should also seek to improve its ranking on the Partnership for Public Service's Best Places to Work in the Federal Government.

Contributing Initiatives:

- Initiative 3 - DHS Workforce Strategy

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<ul style="list-style-type: none"> • Established an Employee Engagement Executive Steering Committee (EE ESC) made up of a high level representative from each major Component. • Working with the EE ESC to develop an employee communication strategy. • Began implementation of DHS Leader Development Program. • Through the EE ESC, forums were created for employee engagement and highlighting changes implemented (town halls and labor-management forums) • Increased senior level support and leadership on employee engagement issues and planning based on past Employee Viewpoint Survey (EVS) data was brought to bear in the Secretary's January 9, 2012 memo to Component Heads creating the EE ESC and tasking them with various activities including holding town hall meetings, designating a senior accountable official, placing engagement goals in Senior Executive performance plans (cascading down to supervisory level), attending labor management forums, etc. All designed to improve employee engagement.
Future Plans	
Projected Dec 2012 Rating	Planned Activities
	<ul style="list-style-type: none"> • Have the EE ESC determine whether focus groups should be held virtually or in person, at the Component level and/or the Departmental level. Pulse surveys to be conducted quarterly across the Department as soon as the proper software is installed. (Q1 FY 2013)



Human Capital Management Outcome #7

Outcome Lead: George Tanner

Outcome Executive: Catherine Emerson

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.

Contributing Initiatives:

- Initiative 3 – DHS Workforce Strategy
- Initiative 6 – HRIT

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<ul style="list-style-type: none"> • The HRIT Executive Steering Committee (ESC) directed integration of the Learning Management System (LMS) project and Employee Performance Management project to acquire the capability of a Talent Management Systems available in the market as a hosted commercial of the shelf (COTS) application (January 2012). • Completed drafts of Talent Management System Statement of Work, Business Case Analysis and Independent Government Cost Estimate to procure solution (May 2012). • The HRIT ESC approved the release of the Talent Management System request for proposal (June 2012). • The Department’s Training Leaders Council (TLC) produced an Education and Training Evaluation Guide. It was used to develop an evaluation strategy and evaluation plan for the Cornerstone program and will serve as an evaluation model for other Leader Development activities. • The HRIT ESC voted to proceed with LMS requirements elicitation for DHS enterprise and to combine LMS requirements with the enterprise Performance Management requirements in order to solicit vendor interest in providing an enterprise-wide Talent Management System (TMS). As of April 2012, the Department is finalizing this combined requirements definition process that will allow a Statement of Work to be issued in Q4 FY2012. • The original DHS University System has morphed into individual program offices. Enterprise Learning and Development has stood up a Headquarters Training Manager office to offer training across the DHS Headquarters, and also a Student Programs Office to coordinate the OPM-mandated Pathways Program and the DHS Secretary’s Honors Program throughout DHS. A program management office for Leader Development has also been established within the Office of the Chief Human Capital Officer (CHCO). • The Joint Language Task Force (JLTF) issued its report with 20 recommendations that were approved by the CHCO. The assessed needs and shortfalls are being incorporated into strategic plans.



Future Plans						
Projected Dec 2012 Rating	Planned Activities					
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Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



IT Management Outcome #1

Outcome Lead: Chris Chilbert
Outcome Executive: Richard Spires

GAO Outcome: *EAMMF Stage Four* - Demonstrate through an independent assessment that DHS has achieved stage four of GAO’s Enterprise Architecture Management Maturity Framework (EAMMF) Version 2.0.

Contributing Initiatives:

- Initiative 7 – Enterprise Architecture
- Initiative 8 – IT Program Governance

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<p>DHS Enterprise Architecture (EA) delivered substantial progress against the GAO EAMMF in FY11 increasing maturity by 60% (FY11 Score 2.96); however, there remains significant work to accomplish EAMMF Stage 4 for FY12. The following are objective accomplishments through the second quarter FY12:</p> <ul style="list-style-type: none"> • Implementation of HRIT Segment Architecture Transition Plan • Significant progress on Screening, Integrated Domain Awareness, and IT Infrastructure Segment Architectures • Significant progress on the FY10 Identity, Credentials and Access Management Committee (ICAM) and Information Sharing Environment Segment Architectures including mandatory Personal Identity Verification (PIV) card usage in DHS HQ. • Implementation of DHS EA Strategic Plan using input from all Component Chief Architects. • Updated FY12 DHS EA Roadmap (Integrated Master Schedule (IMS)) • Testing Release 1 of enhanced EA Governance system (SharePoint) • Delivered Release 3 of Enterprise Architecture Information System (EAIR) • Increased cross-component collaboration on Segment Architecture and Acquisition Training (Program Management 101) • Completed independent EAMMF audit of the Transportation Security Administration (TSA) and the Federal Emergency Management Agency (FEMA) • Implemented activities that support the DHS governance framework, resulting in two portfolio governance boards have been chartered and are fully operational (IT Services Governance Board (ITSGB) and the Information Sharing and Safeguarding Governance Board (ISSGB)). Three portfolio level boards are operating with chartering activities in progress (Enterprise Human Capital, Intelligence, and Screening). These three boards are also engaged in the Budget Year 14 review activities.



Future Plans						
Projected Dec 2012 Rating	Planned Activities					
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Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



IT Management Outcome #2

Outcome Lead: Carlene Iletto

Outcome Executive: Richard Spires

GAO Outcome: *ITIMF Stage Three* - Establish and Implement IT investment management practices that have been independently assessed as having satisfied the capabilities associated with stage three of GAO’s Information Technology Investment Management Framework (ITIMF).

Contributing Initiatives:

- Initiative 7 – Enterprise Architecture
- Initiative 8 – IT Program Governance

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<p> Fully Addressed Mostly Addressed > Partially Addressed < Initiated Not Initiated </p> <p> LEGEND > Dec. 2011 < </p>	<p>DHS has demonstrated significant progress towards the achievement of ITIMF Stage 3, moving the Department from project-centric processes to a more mature portfolio approach, evaluating strategies, and goals. The following are accomplishments in support of this Outcome:</p> <ul style="list-style-type: none"> • Aligned the IT portfolio review process with the budget cycle. This enables the Office of the Chief Information Officer (OCIO) to evaluate the portfolio to provide timely input to the Program Review Board (PRB) and the Budget Year 14 Resources Allocation Decision (RAD) process. (ITIMF Stage 3: Developing a complete investment portfolio; Critical Process: Evaluate the Portfolio) • Approved Portfolio Governance Concept of Operations (CONOPS) and Portfolio Review Approach document to establish a consistent, well-defined perspective on the IT investment portfolio and to maintain mature, integrated selection, control, and evaluation processes. (ITIMF Stage 3: Developing a complete investment portfolio; Critical Process: Define the portfolio criteria) • Processed approximately 222 Information Technology Acquisition Reviews (ITARs), totaling approximately \$2.4 Billion in IT spend from December 2011 to June 30, 2012. This recurring process reviews the financial readiness of each investment and aligns the projects with DHS IT investment criteria. (ITIMF Stage 3: Developing a complete investment portfolio; Critical Process: Evaluate the portfolio) • Developed a reporting process that includes investments below the ITAR threshold of \$2.5M and below. This process, combined with ITAR, provides a thorough and consistent financial view of all DHS IT investments. (ITIMF Stage 3: Developing a complete investment portfolio; Critical Process: Evaluate the portfolio) • Chartered two portfolio governance boards that are fully operational (IT Services Governance Board (ITSGB) and the Information Sharing and Safeguarding Governance Board (ISSGB)), and three portfolio level boards are operating with chartering activities in progress (Enterprise Human Capital, Intelligence, and Screening). This activity will enable DHS to support full review of IT Portfolios. The governance boards ensure that the investments in the portfolio continue to maintain alignment with the Enterprise Architecture. (ITIMF Stage 2: Developing a complete investment portfolio; Critical Process: Instituting the investment board) • Mapped the current IT investment portfolios to their DHS prioritized missions, capabilities, and component priorities. This provided qualitative criteria for portfolio investment decision making. (ITIMF Stage 3: Developing a complete investment portfolio; Critical Process: Define the portfolio criteria) • Utilized the Quarterly Program Accountability Report (QPAR) to provide health scores for the Portfolio Investment review process. DHS standardized on the QPAR reporting method across all IT programs. (ITIMF Stage 3: Developing a complete investment portfolio; Critical process: Evaluate the portfolio)



Future Plans						
Projected Dec 2012 Rating	Planned Activities					
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Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



IT Management Outcome #3

Outcome Lead: Carlene Iletto

Outcome Executive: Richard Spires

GAO Outcome: *CMMI Level Two* - For major IT systems acquisitions, establish and implement system acquisition management processes that have been independently assessed as satisfying those requirements associated with level two of the Carnegie Mellon Software Engineering Institute’s Capability Maturity Model Integration (CMMI).

Contributing Initiatives:

- Initiative 7 – Enterprise Architecture
- Initiative 8 – IT Program Governance

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<p>Major IT System Acquisition policies set the standard for the Department’s Systems Engineering Life Cycle (SELC) that will guide programs towards a level 2 CMMI, the repeatable level. This level must include project planning, tracking, oversight, requirements management, and standardized processes. The CMMI repeatable level is attained when projects implement effective processes that are defined, documented, practiced, trained, measured, enforced, and improvable. The following are accomplishments in support of this Outcome:</p> <ul style="list-style-type: none"> • Established an approach that will assess the DHS major IT programs against criteria associated with CMMI level 2 and sets a DHS baseline. (CMMI Level 2: Project planning) • Executed the integration of the Acquisition Review Board (ARB), Enterprise Architecture (EA) and SELC stage reviews into a defined, efficient governance process that is tailored to the size and criticality of each program to improve project tracking and oversight. (CMMI Level 2: Project tracking and oversight) • Established fourteen program governance Executive Steering Committees (ESCs) through the federated model. The ESCs provide improved oversight and guidance through more timely interaction with key mission leadership. (CMMI Level 2: Project tracking and oversight) • Adopted a standardized IT Work Breakdown Structure (WBS) for DHS that identifies the work activities and resources needed, produces a schedule, captures cost, reflects the appropriate planning of work activities, and captures program costs. (CMMI Level 2: Project planning) • Performed monthly and quarterly program assessments to assess program health and TechStats (OMB, DHS and Component-led) to identify root causes, risks and concerns for investments. (CMMI Level 2: Project tracking and oversight) • Increased the use of risk planning and measurement within projects and throughout the tiered governance hierarchy. Risk is the key measure in the Program Review process and the assessment of health for reporting on the Office of Management and Budget (OMB) IT Dashboard. (CMMI Level 3: Risk Management) • Developed metrics for measuring IT Acquisition Review (ITAR) processing performance and captured Q2 and Q3 metrics for FY12 monitor investments at key contract milestones. (CMMI Level 2: Project tracking and oversight) • Chartered a Requirements Engineering Center of Excellence (RECOE) to provide subject matter expertise support; support enterprise system development; provide guidance, proven practices, and lessons learned. (CMMI Level 2: Requirements Management) • Established Requirements Engineering process, which mandates the early involvement and ownership



	<p>of operational and business requirements by the mission/ business owners. (CMMI Level 2: Requirements Management, design/development)</p> <ul style="list-style-type: none"> Chartered an Agile Working Group that recommended ways to bring agile and other iterative developmental methodologies to the DHS IT community. These recommendations may be used to create policy and guidance. (CMMI Level 2: Project Planning) Developed a framework for adopting agile methodologies for software-intensive IT projects. (CMMI Level 2: Project Planning) Established a Project Management Center of Excellence (COE) to provide subject matter expert (SME) support; support enterprise system development; provide guidance, proven practices, and lessons learned on program/project management. (CMMI Level 2: Project Planning) 					
<p>Future Plans</p>						
<p>Projected Dec 2012 Rating</p>	<p>Planned Activities</p>					
<table border="1" style="width: 100%; text-align: center;"> <tr><td style="background-color: #e6e6e6;">Fully Addressed</td></tr> <tr><td style="background-color: #d9d9d9;">Mostly Addressed</td></tr> <tr><td style="background-color: #a6c9ec;">Partially Addressed</td></tr> <tr><td style="background-color: #7099c4;">Initiated</td></tr> <tr><td style="background-color: #4a7ebb;">Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> Leverage federated resources to perform a gap analysis that will determine the CMMI maturity level and document outstanding activities needed to achieve CMMI Level 2. Establish a Configuration Management Center of Excellence (CMCOE) to provide SME support; support enterprise system development; provide guidance, proven practices, and lessons learned. (CMMI Level 2: Configuration Management) Continue support of existing governing boards, while standing up additional governing bodies at the program/project level to ensure adequate visibility into actual program progress. This will provide senior leadership the ability to take effective actions when program/project performance deviates significantly from the program/project plan. (CMMI Level 2: Project tracking and oversight) Revise the SELC guidance to assist the Components in navigating through the life cycle and improve governance transparency. (CMMI Level 2: Project tracking and oversight) Develop guidance to support highly iterative and repeatable development methodologies for programs seeking to issue releases rapidly. (CMMI Level 2: Project Planning) Continue conducting program assessments for all 83 major programs and selected non-major programs to identify the current health and focus program management on the appropriate corrective actions. An annual program assessment volume of approximately 300 assessments is projected and will be completed when the supporting Decision Support Tool (DST) is in place. (CMMI Level 2: Project tracking and oversight) Conduct DHS-led TechStat for the NPPD Federal Protective Service (FPS) Risk Assessment and Management Program (RAMP). (CMMI Level 2: Project tracking and oversight) Provide guidance to the Component agencies to incorporate the standardized IT WBS for DHS that will capture costs on projects and lead to the development of engineering / cost relationship that can improve project planning for future IT projects. (CMMI Level 2: Project tracking and oversight) Implement the approach to measure the baseline level of performance of major IT programs against criteria associated with CMMI 2. (CMMI Level 2: Project planning) Integration of EA processes with other management functions through COEs.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



IT Management Outcome #4

Outcome Lead: Maria Roat

Outcome Executive: Richard Spires

GAO Outcome: *Implement IT Human Capital Plan* - Demonstrate progress in implementing the IT Strategic Human Capital Plan (SHCP) and accomplishing defined outcomes to include, ensuring that each DHS Component Chief Information Officer (CIO) has implemented the DHS IT SHCP, to be consistent with Goal 4 of the DHS IT Strategic Human Capital Plan.

Note: This outcome language was revised for the June 2012 update based on discussions and agreement between GAO and the DHS Office of the Chief Information Officer (OCIO) staff in April 2012.

Contributing Initiatives:

- Initiative 7 – Enterprise Architecture
- Initiative 8 – IT Program Governance
- Initiative 9 – IT Human Capital Management

Current Status	
June 2012 Rating	Completed and Ongoing Activities
	<ul style="list-style-type: none"> • Participated in the DHS Open House in October 2011, which showcased DHS IT Human Capital Strategic Plan and products; addressing communications on activities and products with Components. • IT Talent Brand and Recruitment Strategy Plan Developed in August 2011. • Began implementation of the Recruitment Strategy and Plan by participating as “One DHS IT Voice” in the Washington Post Job Fair (December 2011) and U.S. Chamber of Commerce and Recruit Military Job Fair (February 2012). • Leveraged the implementation of the Secretary’s Honors Program with Office of the Chief Human Capital Officer (OCHCO). • Interview and Selection guidance developed in August 2011. • IT Competency Use Guide developed in September 2011. • Met with Component subject matter experts (SMEs) on series 2210 job analysis and career path development (November - December 2011). Job Analysis survey was distributed to participating subject matter experts. • Launched new action teams (Nov-Dec 2011 through Jan 2012) to carry out implementation activities for IT Human Capital objectives, which include creating an IT career path framework, conducting employee survey analysis, creating immersion programs for new hires, and developing human capital metrics. • Leveraged internal and external resources for optimal elevated presence (e.g., DHS Connect and SharePoint); addressed web-based communications on activities and products. • Internal partnerships span Components (e.g., National Protection and Programs Directorate(NPPD)); initiatives (e.g., cyber security); and Management lines of business (e.g., OCHCO); as well as DHS governmental councils. • External partnerships include Office of the Inspector General (OIG) and the Federal CIO Council. • Leveraged the CIO Council, DHS has conducted a resource needs assessment to support the development of a Federated Governance Staffing Requirements Plan to support the federated model for tiered IT program governance. • Established the IT Program Management Development Track to address systemic-program



	<p>management deficiencies discovered during the IT program and portfolio reviews.</p> <ul style="list-style-type: none"> Staffed the Technical Centers of Excellence (COEs) with SMEs to assist major and non-major programs across the Department. The staffing for COEs is limited, and much of the work has relied on support from Component organizations participating within the COE framework, utilizing the federated model for resource sharing. Increased the DHS pool of certified Acquisition Program Managers by analyzing and accepting viable PM certifications from other Federal certification sources. Implementing the HRIT Segment Architecture Transition Plan. 					
<p>Future Plans</p>						
<p>Projected Dec 2012 Rating</p>	<p>Planned Activities</p>					
<table border="1"> <tr><td>Fully Addressed</td></tr> <tr><td>Mostly Addressed</td></tr> <tr><td>Partially Addressed</td></tr> <tr><td>Initiated</td></tr> <tr><td>Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> Update current IT Strategic Human Capital Plan to FY2015. After a year and a half of developing products related to the priorities outlines in the DHS IT Strategic Human Capital Plan, the next 18 months will be focused on implementation and building the “One DHS” IT Community through multiple approaches e.g., Immersion, developing change agents across components, utilizing SharePoint and other technology to build a virtual network of IT professionals. The final draft of the Career Path Framework and the implementation of this framework are on schedule for completion by the end of FY2012. Development of training material for how competencies are applied at various stages of the employee life cycle will begin by the end of FY2012. Development of training material for how competencies support the conduct of candidate interviews and the selection of the best candidate will begin by the end of FY2012 The Rewards and Recognition toolkit is on schedule for development in FY 2013. Conduct ongoing Immersion Program session for new hires in October 2012. Continue to develop a Change Management and Communications Strategy to prepare for effectively identifying, managing, and mitigating any risk to the project that might be derived from the people aspect of change. Create a Career Path Framework and implementation plan for incorporating IT career paths into the existing human resources structure for career growth, recruitment, etc. Continue tracking Human Capital Metrics Conduct an employee development assessment. Establish an IT learning and development program. Conduct IT employee survey analysis. Develop a workforce plan and approach for analyzing workforce data. Analyze, track, and report workforce trends. Continue active engagements with both external and internal partners Finalize, communicate and train on current Strategic Human Capital Plan products Continue delivery against the CIO Human Capital Plan for Enterprise Architecture Career Path and Development
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



IT Management Outcome #5

Outcome Lead: Carlene Iletto

Outcome Executive: Richard Spires

GAO Outcome: *Adhere to Program Baselines* - For major investments, demonstrate for at least two consecutive investment increments, that actual cost and schedule performance is within established threshold baseline and those baselined system capabilities/requirements and associated mission benefits have been achieved.

Contributing Initiatives:

- Initiative 8 – IT Program Governance

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<ul style="list-style-type: none"> • Established the IT Program Management Development Track to train IT Program Managers on appropriate baselining of program cost, program schedule, and program performance. This is a 12-month, customized training course that provides a primer on IT Program Management and addresses IT Project Manager and Project Team roles and responsibilities; project selection, project charter, project plan, scope, and requirements; stakeholder management; Work Breakdown Structure; scheduling; risk management; estimation; project communications; design and specification; integration; delivery; and performance management. There are two tracks currently in session. The first track of 27 students is set to graduate in July, 2012. The 25 students of the second cadre will graduate in September, 2012. • Established fourteen program governance Executive Steering Committees (ESCs) through the federated model. These ESCs provide oversight to ensure adherence to program baselines. This provides senior leadership the ability to take effective actions when program/project performance deviates significantly from the program/project baseline. • Performed monthly and quarterly program health assessments to determine the programs adherence to cost, schedule and performance baselines and approved methodologies. These assessments will identify those programs that have breached cost and schedule baselines. • Conducted one Department TechStat, supported two Office of Management and Budget (OMB)-led TechStats, provided TechStat training for seven Components, and provided oversight for four Component-led TechStats to address root causes, risks, and concerns for investments Department-wide where baselines are breached.
Future Plans	
Projected Dec 2012 Rating	Planned Activities
	<ul style="list-style-type: none"> • Continue establishing chartered Governance ESCs to serve as a vehicle to track program’s adherence to cost, schedule, and performance baselines. This provides senior leadership the ability to take effective actions when program/project performance deviates significantly from the program/project baseline. • Continue performing monthly and quarterly program health assessments to determine the programs adherence to cost, schedule, and performance baselines and approved methodologies. These assessments will identify those programs that have breached cost and schedule baselines. • Direct TechStats for those programs that have breached baselines of cost, schedule, and/or performance.



IT Management Outcome #6

Outcome Lead: Emery Csulak
Outcome Executive: Richard Spires

GAO Outcome: *Enhance IT Security* - Establish enhanced security of the department’s internal IT systems and networks as evidenced by:

- Demonstrate measurable progress in achieving effective information system controls by downgrading the department’s material weakness in financial systems security to a significant deficiency for 2 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;
- 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 (FISMA) reporting requirements.

Contributing Initiatives:

- Initiative 10: Information Security

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">Fully Addressed</p> <p style="text-align: center;">➤ Mostly Addressed ◀</p> <p style="text-align: center;">Partially Addressed</p> <p style="text-align: center;">Initiated</p> <p style="text-align: center;">Not Initiated</p> </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p style="text-align: center;">LEGEND</p> <p style="text-align: center;">➤ Dec. 2011 ◀</p> </div>	<ul style="list-style-type: none"> • Performed and continuing to perform independent validation and verification of implemented corrective actions for key financial reporting systems to confirm proper remediation of control weaknesses. • Performed reviews for all security authorization packages submitted in FY2011 and FY2012. • Monthly FISMA Scorecards, as well as daily detailed reports for action, continue to be distributed to DHS and Component senior management to raise visibility of issues including material weaknesses in financial systems. • FY2012 Information Security Performance Plan has been finalized. The 2012 Plan raised the bar as metrics shift from implementation of security solutions to effectiveness/efficiency of those solutions. The plan reflects priorities in continuous monitoring and Weakness Remediation to report the status of POA&Ms across the Department. • The Enterprise Security Services Working Group (ESSWG) has been established with the goal of creating and maintaining common security controls enterprise wide. • Critical Control Reviews (CCRs) were completed for FY2011 and are being performed as scheduled for FY2012. The FY2012 CCRs were adjusted to reflect priorities in continuous monitoring and cloud computing. • Security Awareness Training for all DHS employees occurs during on-boarding. Annual Security Refresher training is required and provided for all Federal employees and contractors. • Implemented Role-based IT security training for System Administrators and Information System Security Officers (ISSOs). • Component corrective action plans for IT controls weaknesses identified during the annual financial statement audit were approved by Component Heads. Progress is being monitored by independent



	<p>personnel from the DHS Information Security Office and the Office of the Chief Financial Officer (OCFO) until completion, and validated for operating effectiveness after implemented.</p> <ul style="list-style-type: none"> • Vulnerability management has been implemented and is evaluated monthly, based on information provided in each Component’s monthly automated feed. • Independent auditors of the Department’s financial statements issued fewer new IT audit findings in FY 2011 compared to the number of new IT audit findings issued in FY 2010. • Eight Components have implemented United States Government Configuration Baseline (USGCB) compliant desktop images (up one from the December 2011 update): <ul style="list-style-type: none"> ○ US Customs and Immigration Services (USCIS) (9/1/2011) ○ Federal Law Enforcement Training Center (FLETC) (10/1/2008) ○ DHS headquarters (HQ) (9/15/2009) ○ Office of the Inspector General (OIG) (9/30/2009) ○ DHS Science and Technology (S&T) (4/30/2010) ○ Transportation Security Administration (9/23/2011) ○ Federal Emergency Management Agency (FEMA) (04/01/2012) ○ USCG (6/1/2010) • Three Components are in the process of implementing USGCB compliant desktop images: <ul style="list-style-type: none"> ○ Immigration and Customs Enforcement (ICE) (09/30/2012) ○ Customs and Border Protection (CBP) (TBD) ○ US Secret Service (USSS) (3/13/2013) 					
Future Plans						
Projected Dec 2012 Rating	Planned Activities					
<table border="1" style="width: 100%; text-align: center;"> <tr><td style="background-color: #e1eef6;">Fully Addressed</td></tr> <tr><td style="background-color: #cfe2f3;">Mostly Addressed</td></tr> <tr><td style="background-color: #a1c9c0;">Partially Addressed</td></tr> <tr><td style="background-color: #72a09f;">Initiated</td></tr> <tr><td style="background-color: #417c72;">Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> • CCRs are scheduled for the remainder of 2012. • Component corrective action plans for IT control weaknesses identified during the upcoming annual financial statement audit will be approved by Component Head and progress monitored monthly by independent personnel from the DHS Information Security Office and OCFO until completion, and validated for operating effectiveness after implemented. • The DHS 4300A Sensitive Systems Handbook, Attachment H: Plan of Action and Milestones (POA&M) Process Guide is being updated to provide improved instructions on remediating control weaknesses and will be complete in the beginning of Q4 FY2012.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Acquisition Program Management Outcome #1

Outcome Lead David Patrick

Outcome Executive: Beth Killoran

GAO Outcome: *Review of Acquisition Documentation* - Validate required acquisition documents in a timely manner at major milestones, including life cycle cost estimates, in accordance with a department-approved, knowledge-based acquisition process.

Contributing Initiatives:

- Initiative 14 – Component Acquisition Executive Structure
- Initiative 16 – Business Intelligence

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<ul style="list-style-type: none"> • Established a cross-Departmental Governance Integrated Project Team (IPT) to continue improving the efficiency, effectiveness, and quality of milestone acquisition decision events (ADEs). • Through this IPT, DHS has streamlined the acquisition milestones by combining Enterprise Architecture and IT TechStat reviews into the acquisition process which has resulted in more timely and uniform validation of acquisition documents. • Through the Investment Review Team (IRT) the initial development and vetting of acquisition artifact scorecards has been completed. The Office of Program Accountability and Risk Management (PARM) has developed acquisition documentation scorecards to provide a standard and timely mechanism for acquisition documents; these scorecards were developed using MD 102-01 identified questions. These scorecards were developed using subject matter expert knowledge on specific documents and published standards where possible (e.g., the scorecard for the Life Cycle Cost Estimate was developed based on the GAO Cost Estimating and Assessment Guide). DHS expanded the initiative to integrate the use of the acquisition documentation scorecards by IRT members and Component Acquisition Executives (CAEs). • Launched seven Centers of Excellence (COEs) to proactively support programs with best practices, templates and mentoring on the development of acquisition documentation. This early involvement helped to ensure quality acquisition documents were developed which allowed for more timely validation. • PARM has utilized the Decision Support Tool (DST) to monitor status reporting for MD 102 acquisition documentation. This status reporting identifies documents that have been approved at either the Component or headquarters. • PARM, through the Cost Estimating and Analysis COE, is working with Components and programs to develop lifecycle cost estimates (LCCEs). Since October the COE has provided initial review and feedback to 11 programs on their LCCEs, provided guidance and support to 12 programs on the development of LCCEs and has initiated and begun the development of a LCCE for one program. Initial draft and vetting of an IRT Concept of Operations (CONOPS) has been completed. It is being revised based on comments received.



Future Plans						
Projected Dec 2012 Rating	Planned Activities					
<table border="1"> <tr> <td>Fully Addressed</td> </tr> <tr> <td>Mostly Addressed</td> </tr> <tr> <td>Partially Addressed</td> </tr> <tr> <td>Initiated</td> </tr> <tr> <td>Not Initiated</td> </tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> Using the Governance IPT and other working groups to identify how the acquisition process will integrate into the DHS IILCM. Integrate use of the acquisition documentation scorecards by IRT members and CAE. For level 1 and 2 programs preparing for ADEs, the COEs are engaging through Component CAEs to provide support with acquisition documentation preparation. This support includes best practices, templates, and lessons learned specifically targeted at each individual program. Develop acquisition requirements for incorporating acquisition documentation scorecard ratings into current validation information. Include proposed Investment Review Board (IRB) requirements for implementation onto SharePoint. Identify CAEs with approved processes/procedures using Component Portfolio Reviews and CAE Council. The Cost Estimating and Analysis COE will continue to work with Components and programs to support development of LCCEs. PARM will review and approve, as warranted, Lifecycle Cost Estimates for those programs coming before the IRB for an ADE. The Program Management COE continues to engage programs to improve program planning and scheduling to improve the accuracy of program planning to meet expectations for ADE events.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Acquisition Program Management Outcome #2

Outcome Lead: David Patrick

Outcome Executive: Beth Killoran

GAO Outcome: *Component Acquisition Capabilities* - Establish sufficient component-level acquisition capability, including Component Acquisition Executives (CAE), policies, and procedures, consistent with a knowledge-based acquisition process and staff levels commensurate with the size of the component’s acquisition portfolios.

Contributing Initiatives:

- Initiative 11 – Procurement Staffing Model
- Initiative 12 – Strategic Sourcing
- Initiative 13 – Acquisition Workforce Development
- Initiative 14 – Component Acquisition Executive Structure
- Initiative 16 – Business Intelligence

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<p> Fully Addressed Mostly Addressed Partially Addressed ▶ ◀ Initiated Not Initiated </p> <p> LEGEND ▶ Dec. 2011 ◀ </p>	<ul style="list-style-type: none"> • 100% of Components have approved CAE in place (two interim CAEs have been named as a result of sitting CAE retirements; 75% CAE core staffing positions filled or matrixed). • Established new Department-level CAE metric to monitor progress in this area. The measure is the percent of CAEs with approved processes/procedures that are aligned to DHS management directives and policies. The goal for FY12 was to have these approved processes/procedures in place in 70% of the Components. Currently, 73% of Components have the approved processes and procedures in place. • Held quarterly CAE Council meeting in April. This session was chaired by the Executive Director, Office of Program Accountability and Risk Management (PARM) and focused on portfolio reviews, annual/quarterly reporting, and acquisition workforce development. • CAE participation on DHS cross-departmental program and acquisition Integrated Product Teams (IPTs) and Centers of Excellence (COEs) to develop processes, standards and criteria that will mature both department and component level acquisition capabilities. • Each CAE reviewed the Quarterly Program Accountability Report (QPAR) and the Comprehensive Acquisition Status Report (CASR). • CAEs helped to establish ten Executive Steering Committees (ESCs) with the primary responsibility to provide program oversight between acquisition decision events (ADEs). An additional four ESCs have been submitted for review and approval. • COEs continue to reach out to CAEs to provide support where possible in developing processes, standards, etc. Additionally, the COEs have begun providing targeted training and workshops to meet CAE identified issues for their respective Component. • The Cost Estimating and Analysis COE has initiated a Department-wide Stakeholders Working Group (SWG) to enhance the discipline of cost estimating at DHS. The SWG meets quarterly and has CAE staff representatives from each of the operational Components. Through the SWG the COE hopes to educate and encourage the CAEs to mature their staff, processes and capabilities in the area of cost estimating and analysis. • Established CAE performance measures to ensure this desired outcome is part of each CAE FY12 performance work plan (PWP). • Issued revised Federal Acquisition Certification- Contracting (FAC-C), Cost Estimating, Test and



	<p>Evaluation, Program Financial Management, Life Cycle Logistics Acquisition Certification Policies and Federal Acquisition Certification-Contracting Officer’s Representative (FAC-COR) Acquisition Certification Policy.</p> <ul style="list-style-type: none"> • Delivered/issued new Systems Engineering Acquisition Certification Policy. • Issued 3,020 Acquisition Certifications in FY 2011. • Built/Deployed Federal Acquisition Institute Training Application System (FAITAS) Career Path Module that allows employees to create and supervisors to approve Individual Development Plans to project acquisition-related training requirements. • Built/Deployed FAITAS Certification Management Module used to submit/manage applications for new DHS acquisition career field certifications. • Built/Deployed FAITAS Continuous Learning Module to enable automated tracking of Continuous Learning Points to maintain certification currency. • Graduated 58 trained, Level II certified contracting personnel from Acquisition Professional Career Program (APCP) Developmental Program through April 2011 and assigned throughout DHS Headquarters and all Components. • Developed and fielded three new certification courses (TEV100, AQN101 and APM102) to personnel Department-wide. • Delivered 331 classes for 6,813 students throughout DHS in FY 2011 with an overall satisfaction rating of 4.29 (5-pt. Likert Scale). • Developed an acquisition workforce member definition that encompasses the entire acquisition workforce. • Completed FY 2012 DHS Acquisition Human Capital Plan Update. 					
<p>Future Plans</p>						
<p>Projected Dec 2012 Rating</p>	<p>Planned Activities</p>					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Fully Addressed</td> </tr> <tr> <td style="text-align: center;">Mostly Addressed</td> </tr> <tr> <td style="text-align: center; background-color: #0070c0; color: white;">Partially Addressed</td> </tr> <tr> <td style="text-align: center; background-color: #0070c0; color: white;">Initiated</td> </tr> <tr> <td style="text-align: center; background-color: #0070c0; color: white;">Not Initiated</td> </tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> • Continue engagement with CAEs through CAE Council, IPTs, Working Groups and individual meetings to assist Components in establishing their Component-level capabilities and improve acquisition process efficiency. • Track progress on CAE core staffing using acquisition workforce monthly survey. • Work with CAEs and Investment Review Team (IRT) members to review and validate acquisition documents; use the Decision Support Tool associated data prior to program release to DHS. • Establish remaining Executive Steering Committees (ESCs). • Transform the instructions and appendices for Acquisition Management Directive 102-01 to become more user-friendly. Transformation will include development of function based instructions and guide books for implementing the instructions. Additional responsibilities for non-acquisition investments will also be added. The updated Directive has been submitted for formal vetting. Individual instructions and guide books will be developed going forward and replace/supplement existing guidance. • The Cost Estimating and Analysis COE with use the SWG forum to develop and vet updated content for the MD102 instructions and guidebooks pertaining to cost estimating and analysis.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Acquisition Program Management Outcome #3

Outcome Lead: Ruth Sturdivant

Outcome Executive: Ken Buck

Outcome: *Joint Requirements Council* - Establish and effectively operate the required Joint Requirements Council, or a similar body, to review and validate acquisition programs’ requirements DHS-wide and identify and eliminate any unintended redundancies.

Contributing Initiatives:

- Initiative 17 – Integrated Investment Life Cycle Model (IILCM)

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<p> Fully Addressed Mostly Addressed Partially Addressed Initiated Not Initiated </p> <p> LEGEND > Dec. 2011 < </p>	<ul style="list-style-type: none"> • The vision for IILCM has been established in the January and June 2011 updates to GAO. • The IILCM continues to be implemented with a phased and collaborative approach to ensure the process integrates all phases of the investment life cycle. • Key Department leadership has refined the IILCM to capture a more rationalized, holistic process from strategy to program execution. • The USM has identified the development and execution of the Data Integration Initiative as a priority to standardize business intelligence capability and thereby improve quality and accuracy of decisions of the IILCM.
Future Plans	
Projected Dec 2012 Rating	Planned Activities
<p> Fully Addressed Mostly Addressed Partially Addressed Initiated Not Initiated </p>	<ul style="list-style-type: none"> • The Department will identify key personnel to participate in the development of the IILCM Operating Concept and Implementation Plan. • An IILCM Operating Concept will be established in Q1 FY 2013 and when fully implemented, the Capabilities Requirements Council will serve in a similar role as the Joint Requirements Council.



Acquisition Program Management Outcome #4

Outcome Lead: Dave Cotner

Outcome Executive: Beth Killoran

GAO Outcome: *Trained Acquisition Personnel* - Ensure sufficient numbers of trained acquisition personnel are in place at the department and component levels.

Contributing Initiatives:

- Initiative 11 – Procurement Staffing Model
- Initiative 13 – Acquisition Workforce Development
- Initiative 14 – Component Acquisition Executive (CAE) Structure
- Initiative 15 – Program Management Corps

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<div style="border: 1px solid gray; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center;">Fully Addressed</p> <p style="text-align: center;">Mostly Addressed</p> <p style="text-align: center; background-color: #0070c0; color: white;">Partially Addressed</p> <p style="text-align: center; background-color: #0070c0; color: white;">Initiated</p> <p style="text-align: center; background-color: #0070c0; color: white;">Not Initiated</p> </div> <div style="border: 1px solid gray; padding: 5px;"> <p style="text-align: center; background-color: #d9d9d9;">LEGEND</p> <p style="text-align: center; background-color: #d9d9d9;">▶ Dec. 2011 ◀</p> </div>	<ul style="list-style-type: none"> • In January 2012, the new Program Accountability Deputy Director was on boarded to the Office of Program Accountability and Risk Management (PARM) • PARM executed a surge support contract option to initiate the Acquisition Workforce Assessment (AWA) update which is in progress. • Centers of Excellences (COE) have been established that can support this initiative to build the Program Management Corps (PM Corps) <ul style="list-style-type: none"> ○ PARM supported the formation of eight COEs, which have begun providing program offices best practices, guidance, and expertise in their respective disciplines. Seven COEs chartered with an eighth in the proposal phase ○ The COEs are: Cost Estimating and Analysis COE and Program Management COE (sponsored by PARM); Accessibility Compliance COE, Enterprise Architecture COE, and Requirements Engineering COE (sponsored by the Office of Chief Information Officer (OCIO)); Privacy COE (sponsored by the Privacy Office); Systems Engineering COE and Test and Evaluation COE (sponsored by Science and Technology Directorate) PARM has established a COE Council to provide strategic direction to the COEs, and a COE Coordinating Office to provide planning and communications services to the COEs. The Executive Director of PARM chairs the COE Council ○ The COE initiative supports the effort to remove DHS from the GAO high-risk list by building program management capabilities and by proactively identifying and addressing program gaps before they become major problems ○ Conducted COE training outreach at Federal Emergency Management Agency (FEMA) Acquisition Workshop ○ The Cost Estimating and Analysis COE is developing a series of training workshops that address the 12 steps to developing a lifecycle cost estimate (LCCE) as described by GAO. This series of workshops is being given on a monthly basis over the course of calendar year 2012 • Issued revised Federal Acquisition Certification- Contracting (FAC-C), Cost Estimating, Test and Evaluation, Program Financial Management, Life Cycle Logistics Acquisition Certification Policies and Federal Acquisition Certification-Contracting Officer’s Representative (FAC-COR) Acquisition Certification Policy • Delivered/issued new Systems Engineering Acquisition Certification Policy. • Issued 3,020 Acquisition Certifications in FY 2011.



	<ul style="list-style-type: none"> • Built/Deployed Federal Acquisition Institute Training Application System (FAITAS) Career Path Module that allows employees to create and supervisors to approve Individual Development Plans to project acquisition-related training requirements. • Built/Deployed FAITAS Certification Management Module used to submit/manage applications for new DHS acquisition career field certifications. • Built/Deployed FAITAS Continuous Learning Module to enable automated tracking of Continuous Learning Points to maintain certification currency • Graduated 58 trained, Level II certified contracting personnel from Acquisition Professional Career Program (APCP) Developmental Program through Apr 2011 and assigned throughout DHS Headquarters and all Components. • Developed and fielded three new certification courses (TEV100, AQN101 and APM102) to personnel Department-wide. • Delivered 331 classes for 6,813 students throughout DHS in FY 2011 with an overall satisfaction rating of 4.29 (5-pt. Likert Scale). • Developed an acquisition workforce member definition that encompasses the entire acquisition workforce. • Completed FY 2012 DHS Acquisition Human Capital Plan Update
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Future Plans

Projected Dec 2012 Rating	Planned Activities					
<table border="1" style="width: 100%; text-align: center;"> <tr><td>Fully Addressed</td></tr> <tr><td>Mostly Addressed</td></tr> <tr style="background-color: #0070C0; color: white;"><td>Partially Addressed</td></tr> <tr style="background-color: #0070C0; color: white;"><td>Initiated</td></tr> <tr style="background-color: #0070C0; color: white;"><td>Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> • Conduct Acquisition Workforce Assessment (AWA) to update previous High Priority Performance Goal 8 (HPPG-8) workforce survey. AWA will be completed by June and will be reported in the next update. • Review and revise, as needed, certification requirements for DHS program manager certification. Continue to review and revise PM Corps training course content, including content in key disciplines, e.g. Systems Engineering (SE) 101 lesson development. • Continue to build the COEs and with COE Council meetings to address strategic issues and outcomes. Establish SE COE. • PARM will draft an Memorandum of Understanding (MOU) to work in coordination with the Chief Procurement Officer (CPO) and the Chief Information Officer (CIO) to update of Office of Personnel Management (OPM)/Office of Management and Budget (OMB) IT (Program Management) Career Track and Competency Model efforts. • Work with COEs and CAEs to identify training and certification requirements for PM Corps. • Review standards for career progression through the core Acquisition Professional Career Information policies in terms of education, training, certification, and experience. • Update Directive 102 – Acquisition Management with COEs • By 30 September 2012, PARM will have a plan for achieving “mostly addressed” for this Outcome
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Acquisition Program Management Outcome #5

Outcome Lead: Marti Roper
Outcome Executive: Beth Killoran

GAO Outcome: *Acquisition Process Compliance* - Establish and demonstrate measurable progress in achieving goals that improve programs’ compliance with the department’s established processes and policies, including specific metric for tracking conformance with department’s established processes as well as metrics for cost, schedule and performance measured against department-approved baselines.

Contributing Initiatives:

- Initiative 14 – Component Acquisition Executive (CAE) Structure
- Initiative 16 – Business Intelligence

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
	<ul style="list-style-type: none"> • The Decision Support Tool (DST) is allowing programmatic data to be visible, thus encouraging adherence to reporting compliance to DHS policies and formal review processes. These processes include: the Acquisition Review Board (ARB), Program Review Boards (PRB), and joint portfolio reviews. Updated version for the DST was completed on March 13th, 2012. There are currently 55 separate reports available to provide information on funding, budget, earned value, acquisition documentation, milestones, risk, and program manager certification levels. • Published the first DHS Quarterly Program Accountability Report (QPAR).The QPAR is composed of a standardized set of 15 criteria, which are used to perform a high-level analysis of each major departmental program on a quarterly basis to effectively monitor program health in between formal gates. • Revised the ARB process to ensure program reviews are not held without artifact compliance with is tracked using the DST. • Piloted the program assessment process and briefed the results to Undersecretary for Management (USM) and Deputy Secretary; this established 15 program evaluation criteria which are being refined through Program Accountability Integrated Product Team (IPT). • Launched a Program Accountability IPT with cross-departmental participation to validate and solidify criteria to monitor program progress. • Continued communication and outreach activities within headquarters Chief Executive Officers (CXOs) and Component Acquisition Executives (CAEs) and Program Manager (PMs) to focus attention on completion and data quality improvement. • Implemented capabilities to measure a program’s compliance with the mandated data reporting requirements. This enabled incompleteness in data fields to be tracked in monthly statistics, performance measures and metrics. Consequently, programs had acquisition decision events (ADEs) delayed or postponed because they had not complied with the Department’s established acquisition process.



Future Plans						
Projected Dec 2012 Rating	Planned Activities					
<table border="1"> <tr> <td>Fully Addressed</td> </tr> <tr> <td>Mostly Addressed</td> </tr> <tr> <td>Partially Addressed</td> </tr> <tr> <td>Initiated</td> </tr> <tr> <td>Not Initiated</td> </tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> • Improve data quality and data integrity of program and component self-reporting distributing and working one on one with the components by sharing their Component statistics thereby incorporating this information to decision makers at acquisition decision events. • Build and integrate a framework within DST to support the automation of the Comprehensive Acquisition Status Report (CASR). • Build and integrate a framework within DST to support assessment and analysis of program health (QPAR) electronically and report through the DST. • Support the Consolidation Governance initiative which consolidates the data and information as required by all headquarter governance bodies to have the proper information shared to support good decision making across all processes and stages. • Incorporate federal standards, industry standards, and lessons learned into the QPAR process to improve second and third quarter reports; prepare and distribute second quarter report. • Decrease the number of programs with postponed or delayed acquisition decision events due to lack of compliance with DHS's established acquisition process.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						



Summary Scorecard

This chapter presents an overview of the 18 DHS initiatives and their progress relative to the five GAO high risk criteria. More detailed explanations of these ratings are contained in Chapters 4 and 5.

DHS has continued to use the binary (yes/no) indicators to represent progress under the first four high-risk evaluation criteria: 1) Top Leadership Commitment, 2) Capacity, 3) Corrective Action Plans, and 4) Monitoring. For the fifth criteria, Demonstrated Progress, DHS is using key performance measures. Progress against the first four criteria is shown as shaded fractions of a circle, or “pieces of pie.” For the fifth criteria, dials are used to show progress against the key performance measures. More information on the scoring methodology can be found in Appendix A.

Key Initiative Updates:

1. For the June 2012 update, DHS has continued to develop objective and outcome-based performance measures. Consequently, additional measures were created for some initiatives and several key measures were strengthened so that each initiative contains both tactical and strategic measures. The key measure dials provide two arrows that distinguish the progress made between December 2011 and June 2012. The red arrows represent where the key measure was in December 2011 while the green arrows represent status for June 2012. For new key measures or measures where no data were reported in December 2011, only one green arrow is shown.
2. A new chapter entitled “Transformational Initiatives” was created. Chapter 5 was created to include those DHS unique initiatives deemed to be cross-cutting, multi-dimensional and whose duration will likely span multiple years. Successful transformation of large, complex organizations like DHS takes time and, therefore, initiatives in this category are not viewed in the same vein as others contained in this report. The Integrated Investment Lifecycle Model (IILCM) is one such initiative that has been moved to Chapter 5. The other is the Management Health Assessment (MHA). While there has been a shift in the numbering of the initiatives, no initiatives have been added or removed.
3. Substantial progress has been made in addressing the GAO high risk criteria. Across the 18 initiatives, 14 reported progress against the first four GAO high risk criteria, with four initiatives now reporting that they have fully addressed all four GAO criteria.



I. Key DHS Initiatives to Address GAO High Risk Areas

High Risk Initiatives	GAO High Risk Criteria							
	Top Leadership Commitment	Capacity	Corrective Action Plan	Monitoring	Demonstrated Progress (Key Measures)			
I. Financial Management (FM)								
1. Financial Systems Improvement and Modernization								
2. Financial Management and Controls								

LEGEND
 June 2012
 Dec. 2011



High Risk Initiatives	GAO High Risk Criteria								
	Top Leadership Commitment	Capacity	Corrective Action Plan	Monitoring	Demonstrated Progress (Key Measures)				
II. Human Capital Management (HCM)									
3. Workforce Strategy					 Percentage of DHS Components that are Implementing Annual Operational Plans that Include Measures that Cascade from the DHS Workforce Strategy for FY 2011-2016	 Percent of Positive Responses, Average of Four HCAAF Indices in the Employee Viewpoint Survey	 Percentage of Components that are Making Progress Toward Operational Plan Objectives		
4. Workforce Planning and Balanced Workforce					 Percentage of Major Components that have Developed an Initial Skill Gap Assessment Strategy	 Percentage of Major Component Contracts Identified for Review in 2010 with Final Dispositions	 Percentage of Major Components in Compliance with BWS New Work Pilot Covering OMB Special Interest and DHS Priority Functions		
5. Outreach and Targeted Recruitment					 Percentage of HQ and Component Level Recruiting and Outreach Portfolios Fully Developed	 Percentage of Targeted Recruiting and Outreach Plans Fully Implemented			
6. HR Information Technology					 Percent Progress Towards DHS/Federal HRIT Service Provider Target	 Percentage of Components Using Enterprise Time & Attendance Tool (WebTA)			

LEGEND
 June 2012
 Dec. 2011



High Risk Initiatives	GAO High Risk Criteria								
	Top Leadership Commitment	Capacity	Corrective Action Plan	Monitoring	Demonstrated Progress (Key Measures)				
III. Information Technology Management (ITM)									
7. Enterprise Architecture					 Percentage of DHS EA Progress towards EAMMF Stage 4	 Percentage of DHS Progress towards Mature Segment Architecture Goal	 Percentage of DHS Progress towards Independent EA Audit Goal		
8. IT Program Governance					 Percentage of DHS IT Program Reviews Completed in FY12	 Percentage of DHS Programs Rated as Low-Risk	 Percentage of DHS IT Portfolio Governance Boards and Executive Steering Committees Established and Chartered	 Percentage of Components Trained in Conducting TecStats Reviews	
9. IT Human Capital Management					 Percentage of Improved Recruiting Fulfillment Metrics	 Percentage of IT Human Capital Strategic Plan Executed by Components	 Percentage of DHS IT Human Capital Implementation Plan Completed		
10. Information Security					 Percent Reduction in Significant Financial System Security Deficiencies	 Percentage of HQ and Component Organizations that have Implemented USGCB	 Percent of Systems Reporting Vulnerability Scanning Results		<div style="border: 1px solid black; padding: 5px;"> LEGEND June 2012 Dec. 2011 </div>



High Risk Initiatives	GAO High Risk Criteria								
	Top Leadership Commitment	Capacity	Corrective Action Plan	Monitoring	Demonstrated Progress (Key Measures)				
IV. Procurement Management (PM)									
11. Procurement Staffing Model					 Percent Completion of the Department-Wide Procurement Staffing Model	 Percent Component HCA Adoption of the Procurement Staffing Model	 Percent of Components Using the Procurement Staffing Model to Set Annual Staffing Levels		
12. Strategic Sourcing					 Maturity Level of Sourcing Capability Model	 Percent Institutionalization of Strategic Sourcing at DHS	 Percent of DHS Participation in the Federal Strategic Sourcing Initiative		
13. Acquisition Workforce Development					 Percent Completion of Initial Acquisition Certification Policies	 Percent of Required Acquisition Certification Training Developed	 Progress Towards Evaluation and Revision of PM Acquisition Certification Training and Policy	 Maturity of APCP Program	

LEGEND	
	June 2012
	Dec. 2011



High Risk Initiatives	GAO High Risk Criteria							
	Top Leadership Commitment	Capacity	Corrective Action Plan	Monitoring	Demonstrated Progress (Key Measures)			
V. Acquisition Program Management (APM)								
14. Component Acquisition Executive Structure					 Percentage of Major Acquisition Programs that have Full, Approved Sets of Department Required Acquisition Documents Prior to ADEs	 Percentage of Level 1 Acquisition Programs with Approved Lifecycle Cost Estimates	 Percentage of Components that have Appropriate Acquisition Core Staff Level Commensurate with the Characteristics of Acquisition Programs	 Percentage of Components that have Established Sufficient Policies and Procedures to Manage Major Acquisitions Consistent with Department Policy
15. Program Management Corps					 Engage through CAEs to Advance the Department's Acquisition and Program Management Capabilities (aggregate measure)	 Establish the COEs as a Valued Resource for Programs and Components through Expert Guidance and Proven Practices (aggregate measure)	 Ensure the Program Managers are Engaged in Advancing the Department's Acquisition and Program Management Capabilities (aggregate measure)	
16. Business Intelligence					 Percentage of Major Investments that Report as Mandated within Source Systems of Record	 Percentage of Programmatic Data in the Source Systems of Record that is Complete, Current, and Validated by the Component	 Percentage of Senior Leaders who Rely upon the Information in the DST for Strategic Decision Making	 Percentage of Critical Data Elements that Currently Reside in Source Systems of Record to Properly Aid Strategic Decision Making

LEGEND	
	June 2012
	Dec. 2011



High Risk Initiatives	GAO High Risk Criteria							
	Top Leadership Commitment	Capacity	Corrective Action Plan	Monitoring	Demonstrated Progress (Key Measures)			
VI. Transformational Initiatives								
17. Integrated Investment Life Cycle Model								
18. Management Health Assessment								<p>LEGEND</p> <p>● June 2012</p> <p>● Dec. 2011</p>



LEGEND

Top Leadership Commitment

- Senior Departmental leadership (e.g., Undersecretary for Management) actively monitors progress on a regular basis.
- The initiative is documented in the Executive Lead's performance plans.
- The Initiative Leader (Manager) is assigned and his/her performance plans include specific actions to achieve the most favorable outcome.

Capacity

- A resource needs assessment (e.g., people, funding, etc.) has been conducted.
- Sufficient resources and staff are committed to the initiative.
- Critical resource (e.g., staff and funding) shortfalls are identified and communicated to higher leadership.

Corrective Action Plans

- The Corrective Action Plan is likely to achieve organizational outcomes.
- The goals for each activity are measurable and have defined milestones.
- Program and project risks are specifically identified and addressed in a supporting risk mitigation plan.

Monitoring

- Governance and program/project review processes are established and are an integral part of performance monitoring.
- Goal progress is proactively managed wherein progress is measured. Failure to achieve plan goals is rapidly remediated.
- An integrated master schedule that documents, at a minimum, schedule, milestones, interdependencies, and progress is developed and maintained.

Demonstrated Progress (Key Measures)

- Key measures are unique to each initiative and track performance from initiation to completion of the initiative.



1. Financial Systems Improvement and Modernization

Initiative Lead: Christine Rodriguez
Executive Lead: Larry Bedker

I. Initiative Objective

The objective of this initiative is to develop and implement a revised enterprise financial management system strategy, which includes improved financial management system functions, systems security, data integrity, and provides the foundation for enhancing business intelligence capabilities.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- Financial Management Outcome #2: *Corrective Action Plan* - Develop and demonstrate measurable progress in implementing a corrective action plan with specific milestones and accountable officials to address the weaknesses in systems, internal control and business process weaknesses and variation that impede the Department's ability to integrate and transform its financial management.
- Financial Management Outcome #3: *Commit Sufficient Resources* - Commit sufficient resources with the necessary financial management expertise to execute the corrective actions needed to implement its current approach for financial system modernization and complete a full-scope audit of the entire Department's basic financial statements while addressing the weaknesses in financial management controls.
- Financial Management Outcome #6: *Compliance with FFMIA* - Adhere to financial system requirements in accordance with the Federal Financial Management Improvement Act of 1996 (FFMIA), and have independent auditors report annually on compliance with the Act.
- Financial Management Outcome #7: *Embrace Best Practices* - Embrace best practices, including those developed by the Institute of Electronic Engineers (IEEE) and the Software Engineering Institute, when developing and documenting the Department's current financial system modernization strategy; and plan to foster the development of its financial systems that meets expected performance and functionality targets.
- Financial Management Outcome #8: *Contractor Oversight* - Establish contractor oversight mechanisms to monitor the contractor(s) selected to implement new or upgrade existing Components' financial systems throughout the Department.
- Financial Management Outcome #9: *Financial System Modernization Deployment* - Successfully implement new or upgrade existing Components' financial systems, as needed, throughout the Department, including the Coast Guard, Federal Emergency Management Agency, and Immigration and Customs Enforcement.

III. Problem Statement and Strategy

The Department of Homeland Security (DHS) financial management systems lack the capabilities to consistently meet stewardship requirements Department-wide and within some Components. Further, DHS has been unsuccessful in obtaining consecutive independent unqualified audit opinions on Department-wide financial statements.

The primary purpose of this initiative is to identify and address the key financial management system areas that significantly influence the DHS-required stewardship mission and ability to achieve a clean Department-wide audit. Focus areas include:

- Financial management system capability and security gaps.



- Financial management practices related to financial management systems that impact ability to achieve and sustain a clean Department-wide audit.
- Financial data integrity.
- Business intelligence to consolidate financial reporting and analysis.

DHS decided not to pursue a Department-wide integrated financial management solution, and has established a new, decentralized strategy for modernizing its financial management systems. Rather than pursue an enterprise-wide, already-integrated system, the Department will pursue essential system modernization for Components with the most critical need. Components with an essential business need to modernize the financial management system include the Federal Emergency Management Agency (FEMA), United States Coast Guard (USCG), Immigration and Customs enforcement (ICE) and their customer Components. These Components will implement a financial system modernization project and invest in efforts to improve financial management practices and processes, including internal controls, and approved financial system replacements or major upgrades. Components will determine resource needs for future system modernization initiatives and commit sufficient resources to ensure success. Incremental change and improvement is expected over a 3 to 5 year period to allow for institutionalization of practices and adequate resourcing. Activities for this initiative include the following:

- Assess and document the current state of Component financial systems. The status will include:
 - Financial system data and sustainment and modernization strategies, plans, and resource requirements, and capacity.
 - Level of Federal Financial Management Improvement Act of 1996 (FFMIA) compliance.
- Identify barriers to integrating consistent financial management practices, relevant to the financial management systems, vertically from the Office of the Chief Financial Officer (OCFO) to Components and within and across Components.
- Continue the execution of existing corrective actions, and implement new corrective actions including:
 - Strengthen financial data collection, analysis, and reporting capability for Department-wide financial data.
 - Create and implement a governance and oversight infrastructure and apply the governance structure and related policies to the execution of financial management practices and upgrades to the identified financial management systems.
 - Modernize financial management systems for Components with a critical business need –USCG, ICE, and their customer Components.
 - Complete a technical refresh of the supporting environment for FEMA’s current system, IFMIS.



2. Financial Management and Controls

Initiative Lead: Melissa Morgan-Lowden
Executive Lead: Larry Bedker

I. Initiative Objective

The objective of this initiative is to strengthen and standardize financial management throughout the Department to receive a clean audit on all financial statements by Q4 FY- 2013 and comply with the Federal Financial Management Improvement Act of 1996 (FFMIA) and the DHS Financial Accountability Act of 2004.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- Financial Management Outcome #1: *Top Management Commitment* - Maintain top management commitment to correcting identified weaknesses, monitoring the status of corrective actions, and establishing and maintaining effective financial management internal controls.
- Financial Management Outcome #2: *Corrective Action Plan* - Develop and demonstrate measurable progress in implementing a corrective action plan with specific milestones and accountable officials to address the weaknesses in systems, internal control and business process weaknesses and variation that impede the Department's ability to integrate and transform its financial management.
- Financial Management Outcome #3: *Commit Sufficient Resources* - Commit sufficient resources with the necessary financial management expertise to execute the corrective actions needed to implement its current approach for financial system modernization and complete a full-scope audit of the entire Department's basic financial statements while addressing the weaknesses in financial management controls.
- Financial Management Outcome #4: *Opinion on All of the Basic Financial Statements* - Expand the scope of the DHS financial statement audit to include an opinion on all of the basic financial statements as identified by OMB Circular A-136 including the required supplementary stewardship information and obtaining an opinion on internal control over financial reporting in accordance with the DHS Financial Accountability Act of 2004.
- Financial Management Outcome #5: *Clean Opinions For Two Years* - Sustain clean opinions for at least two consecutive years on the Department wide financial statements, while demonstrating measurable progress toward achieving effective internal controls by reducing material weaknesses and significant deficiencies. This should include establishing and standardizing effective business processes and financial management controls department wide to avoid using ad hoc procedures, expending significant resources, and making billions of dollars in adjustments to derive clean audit opinions.
- Financial Management Outcome #6: *Compliance with FFMIA* - Adhere to financial system requirements in accordance with the Federal Financial Management Improvement Act of 1996 (FFMIA), and have independent auditors report annually on compliance with the Act.

III. Problem Statement and Strategy

The Department of Homeland Security (DHS) currently lacks the capacity to consistently meet stewardship requirements Department-wide and within some Components. Further, DHS has been unsuccessful in obtaining consecutive independent unqualified audit opinions on Department-wide financial statements or a clean audit opinion.

The primary purpose of the Financial Controls Initiative is to strengthen and standardize financial management throughout the Department to receive an audit opinion on all financial statements by Q4 FY 2013 and comply with FFMIA requirements and the DHS Financial Accountability Act of 2004. To achieve this:



- Components will invest in efforts to improve financial management practice and processes, including and beyond internal controls, and financial system modernization that will lead to accuracy for financial statements and audits, reduced operating and maintenance costs. Incremental change and improvement is expected over a 3 to 5 year period to allow for institutionalization of practices and adequate resourcing.
- The Department Chief Financial Officer (CFO) and Component CFOs will implement corrective actions that are currently identified.
- The Department and Component CFOs will identify and remove barriers to integrating consistent financial management practices, relevant to the financial management systems, within and across Components.

DHS is expanding to a full-scope audit in FY 2012. By taking a deeper dive into the financial statements, we will identify additional areas for corrective action, taking us further down the road toward a clean opinion on all financial statements.



3. Workforce Strategy

Initiative Lead: Caroline Chang
Executive Lead: Catherine V. Emerson

I. Initiative Objective

This initiative creates an overarching structure for human capital planning, management and reporting across the Department of Homeland Security (DHS), built on four key goals:

- Goal 1: Build an effective, mission-focused, diverse and inspiring leadership cadre.
- Goal 2: Recruit a highly qualified and diverse workforce.
- Goal 3: Retain an engaged workforce.
- Goal 4: Solidify a unified DHS culture of mission performance, adaptability, accountability, equity and results.

These goals encompass the areas of Workforce Planning/Balanced Workforce, as well as Outreach and Targeted Recruitment, which are addressed in greater depth in HCM initiatives #4 and #5, respectively.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO Outcomes:

- Human Capital Management Outcome # 1: *Implement Human Capital Plan*—Develop and demonstrate sustained progress implementing a results-oriented strategic human capital plan that identifies the Department’s goals, objectives, and performance measures for strategic human capital management and is linked to the Department’s overall strategic plan.
- Human Capital Management Outcome #2: *Link Workforce Planning to Program Planning*—Link workforce planning efforts to strategic and program-specific planning efforts to identify current and future human capital needs including the size of the workforce, its deployment across the department and components, and the knowledge, skills, abilities, and diversity needed for the agency to meet its goals and objectives. This includes collecting valid and reliable data on human capital indicators, such as distribution of employee skills and competencies, attrition or projected retirement rates, and retirement eligibility by occupation and organizational unit.
- Human Capital Management Outcome #3: *Coordinated Recruiting and Outreach Strategy*—Develop and demonstrate sustained progress in implementing a recruiting and hiring strategy that is targeted to fill both short- and long-term needs, and specifically to fill identified human capital gaps, including diversity and foreign language gaps.
- Human Capital Management Outcome # 4: *Leverage Competencies and Individual Performance*—Base hiring decisions, management selections, promotion, and performance evaluations on human capital competencies and individual performance in order to support the agency’s overall goals and missions.
- Human Capital Management Outcome # 5: *Employee Input*—Seek employees’ input on a periodic basis and demonstrate measureable progress in implementing strategies to adjust human capital approaches.
- Human Capital Management Outcome # 6: *Federal Employee Viewpoint*—Improve DHS’s scores on the Office of Personnel Management’s 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. DHS should also seek to improve its ranking on the Partnership for Public Service’s Best Places to Work in the Federal Government.



- Human Capital Management Outcome # 7: *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.

III. Problem Statement and Strategy

- a) The Workforce Strategy initiative addresses the Department's lack of a sufficiently strategic or coherent approach to its human capital planning and management.
- b) In 2010, Secretary Napolitano charged the Chief Human Capital Officer (CHCO) to develop an integrated, results oriented strategy aligned with and in support of the Department's priorities identified in the Quadrennial Homeland Security Review (QHSR) and Bottom up Review (BUR). The DHS Workforce Strategy, developed through a Department-wide process and signed by the Secretary in December of 2010, promotes efficiency and a coherent strategic approach, by providing an enterprise-wide method toward ensuring the right people are employed with the right skills and competencies to accomplish the Department's missions, goals, and objectives.
- c) DHS is working to anchor activities to the DHS Workforce Strategy for FY 2011-2016. For the first time, Components are required to submit annual operational plans aligned to the goals, objectives and performance measures outlined in the Workforce Strategy. Office of the Chief Human Capital Officer (OCHCO) staff are reviewing the operational plans and providing feedback to Components, with the dual aims of 1) ensuring consistency in approach by identifying common concerns as well as promising practices that can be shared across the Department; and 2) providing support and developing a collaborative relationship. Additionally, the Human Capital Indicators Dashboard that has been launched in conjunction with workforce planning efforts will provide a means for better business intelligence to inform human capital policies and strategies.
- d) The goals of this initiative are to have the DHS Workforce Strategy serve as a consistent framework for an enterprise-wide human capital strategy and promote results-oriented reporting across the Department, and to have this strategy address core gaps in DHS human capital planning and operations. Component operational plans will cascade from the goals, objectives and performance measures outlined in the DHS Workforce Strategy for FY 2011-2016.



4. Workforce Planning and Balanced Workforce

Initiative Lead: Debra Tomchek
Executive Lead: Catherine Emerson

I. Initiative Objective

Ensure mission readiness and alignment of the workforce by developing and implementing a consistent, coherent approach to strategic and tactical workforce planning throughout the Department of Homeland Security (DHS).

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- Human Capital Management Outcome #2: *Link Workforce Planning to Program Planning*—Link workforce planning efforts to strategic and program-specific planning efforts to identify current and future human capital needs including the size of the workforce, its deployment across the Department and Components, and the knowledge, skills, abilities, and diversity needed for the agency to meet its goals and objectives. This includes collecting valid and reliable data on human capital indicators, such as distribution of employee skills and competencies, attrition or projected retirement rates, and retirement eligibility by occupation and organizational unit.
- Human Capital Management Outcome #3: *Coordinated Recruiting and Outreach Strategy*—Develop and demonstrate sustained progress in implementing a recruiting and hiring strategy that is targeted to fill both short- and long-term needs, and specifically to fill identified human capital gaps, including diversity and foreign language gaps.

III. Problem Statement and Strategy

DHS lacks a consistent approach to both assessing and addressing human capital needs in alignment with strategic and program-specific planning processes. The Workforce Planning and Balanced Workforce initiative is designed to ensure mission readiness by identifying the workforce skills and the appropriate balance of federal employees and contractors necessary for the success of DHS functions. This is accomplished by implementing a comprehensive, data-driven workforce planning framework that will link the Department's strategic objectives, mission critical occupations, and workforce capacity and capability requirements. The implementation goals of this initiative include the following:

Workforce Planning

- Drive alignment of the DHS workforce to the DHS mission.
- Ensure identification of:
 - Mission critical occupations (MCOs) and appropriate numbers of positions (i.e., capacity);
 - Related competency models and competency assessments (i.e., capability) to determine and address any mission risk arising from skill gaps; and



- Human Capital Indicators based on those MCOs, including regularly scheduled reports to track gaps and assess gap closure.³
- Incorporate “Futuring,” applying potential homeland security scenarios to assess workforce readiness for the future.

Balanced Workforce Strategy (BWS)

- Achieve the appropriate mix of federal and contractor skills, expertise, experience and other assets necessary to effectively achieve the Department’s mission;
- Ensure that inherently governmental functions and unauthorized personal services are not performed by contractors;
- Dedicate an adequate number of federal employees to the performance of critical functions or functions that are closely associated with inherently governmental functions such that the Department can maintain control of its mission and operations;
- Give consideration to using, on a regular basis, federal employees to perform new functions and functions that are performed by contractors (and special consideration given to the use of federal employees in those areas specifically identified by law); and
- Integrate management and planning activities to reduce risk to the Department’s mission and promote improvements in the Department’s economy, efficiency, and performance.

³ Based on the 2010 Quadrennial Homeland Security Review (QHRS).



5. Outreach and Targeted Recruitment

Initiative Leads: Nimesh Patel

Executive Lead: Catherine Emerson

I. Initiative Objective

Address human capital needs by improving targeted recruitment and hiring a diverse workforce.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- Human Capital Management Outcome #3: *Coordinated Recruiting and Outreach Strategy*—Develop and demonstrate sustained progress in implementing a recruiting and hiring strategy that is targeted to fill both short- and long-term needs, and specifically to fill identified human capital gaps, including diversity and foreign language gaps.

III. Problem Statement and Strategy

With increasing budgetary constraints and the need to do more with less, it is critical that we find ways to more closely align and integrate our recruitment and outreach strategies between Headquarters (HQ), Components, and field offices. This will enable us to more effectively manage our recruiting and outreach operations to best ensure we meet our recruitment goals and operate more efficiently.

In December 2011, the Secretary signed the Department of Homeland Security (DHS) Coordinated Recruiting and Outreach Strategy (CROS), designed to guide outreach and recruitment efforts across DHS; enabling the systematic development of operational strategies with action plans that meet our overall objectives, which include:

- Reduce duplication of effort;
- Leverage outreach and recruiting resources;
- Integrate recruiting and outreach plans across the DHS enterprise;
- Decrease agency outreach and recruiting costs where applicable; and
- Present a unified DHS image.

The purpose of the CROS is to effectively leverage outreach and recruiting resources enterprise-wide to reach short and long term recruitment and outreach goals. It will serve as the foundation to link agency recruitment and outreach needs, workforce planning, statutory requirements, and related Executive Orders directly to outreach and recruiting processes at both HQ and field locations with an accountability framework to measure results.

In order to be successful in implementing the CROS with limited resources, DHS has shifted its implementation strategy. Consequently, the Department has determined that it is important to roll out the larger program at a measured pace, starting with a “pilot” phase. The first two pilots will be completed in FY12 and the remaining three sessions will be conducted over the course of FY13. Upon completion of the pilots, DHS will analyze feedback and lessons learned and make any necessary adjustments to the national rollout plan. The details of this updated tactic are reflected in the Corrective Action Plans section (Section VI).



As the implementation strategy has shifted, so has the immediate need to collect and analyze marketing and advertising data. As a result of the economic downturn, many DHS Components have experienced a significant reduction in marketing and advertising funds, causing the urgency to analyze the data to wane. In addition, the job market currently has a high numbers of potential candidates thus decreasing the need for steady advertising. Lastly, DHS is taking a more strategic approach to workforce planning that allows us to focus our efforts on creating robust, targeted recruitment plans rather than standard advertising campaigns. As a result, any corrective action plans involving the collection and analysis of marketing and advertising data has been reprioritized until after the completion of the CROS pilot phase.



6. Human Resources Information Technology (HRIT)

Initiative Lead: Gregg Pelowski
Executive Lead: Catherine Emerson

I. Initiative Objective

The Office of Management and Budget (OMB)-approved HRIT Program managed by Human Capital Business Systems (HCBS) was established to support the mission of consolidating, integrating, and modernizing the Department's HRIT infrastructure to provide the flexibilities and management information that will allow the Department of Homeland Security (DHS) to evolve continuously in response to changing business, legislative, and economic drivers.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- Human Capital Management Outcome # 1: *Implement Human Capital Plan*—Develop and demonstrate sustained progress implementing a results-oriented strategic human capital plan that identifies the Department's goals, objectives, and performance measures for strategic human capital management and is linked to the Department's overall strategic plan.
- Human Capital Management Outcome #2: *Link Workforce Planning to Program Planning*—Link workforce planning efforts to strategic and program-specific planning efforts to identify current and future human capital needs including the size of the workforce, its deployment across the Department and Components, and the knowledge, skills, abilities, and diversity needed for the agency to meet its goals and objectives. This includes collecting valid and reliable data on human capital indicators, such as distribution of employee skills and competencies, attrition or projected retirement rates, and retirement eligibility by occupation and organizational unit.
- Human Capital Management Outcome # 4: *Leverage Competencies and Individual Performance*—Base hiring decisions, management selections, promotion, and performance evaluations on human capital competencies and individual performance in order to support the agency's overall goals and missions.
- Human Capital Management Outcome # 5: *Employee Input*—Seek employees' input on a periodic basis and demonstrate measureable progress in implementing strategies to adjust human capital approaches.
- Human Capital Management Outcome # 7: *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.

III. Problem Statement and Strategy

The development and implementation of consistent and consolidated HRIT systems across the Department of Homeland Security (DHS) is a critical component of achieving management integration. The HRIT program will plan for, acquire, and implement systems and services to consolidate, modernize, and/or replace HRIT systems at the Department-level. The program is governed by the HRIT Executive Steering Committee (ESC) established by the Deputy Secretary in January 2010. By means of the Human Capital Segment Architecture (HCSA) study, HCBS has identified HR and HRIT performance gaps and areas for potential consolidation to an enterprise solution to achieve efficiencies across DHS. The HCSA initiative identified 15 Strategic Improvement Opportunities (SIOs), involving over 80 potential projects providing for more efficient enterprise solutions.



A comprehensive HRIT Strategic Plan was developed through a cross-Departmental process approved by the HRIT ESC and signed by the Deputy Secretary in April 2012. It promotes an efficient and coherent approach to HRIT transformation throughout DHS and advances the management of HRIT as a portfolio of systems and services by applying the following key principles:

- *Enterprise Services* - moving HRIT from a Component and systems-centric model to a Departmental model
- *Strategic Sourcing* – leveraging currently existing solutions and DHS’ considerable purchasing power to make cost effective solutions available to Components for use as resources permit
- *Governance* – strengthening and maturing from a program governance to a portfolio governance process under the continued direction of the HRIT ESC
- *Investment Planning* – emphasizing investment strategies to drive cost reductions and improve budget alignment
- *Project Execution* – providing cost effective systems and services that meet the majority of the Components needs without customization

A key outcome of the HRIT strategy is a prescribed shift of HRIT service delivery to a Departmental model. HCBS is introducing in this report a new performance measure to track progress on this transformational outcome.

Based on FY2012 funding availability and ESC established priorities, HCBS is finalizing the Operational Plan for FY12-13 and has begun work on the following enterprise solutions:

- Consolidation of nine Learning Management Systems (LMS) to a single, multi-tenant solution that is integrated with an Employee Performance Management (EPM) system. This begins DHS’ pursuit to obtain an enterprise capability for Talent Management to address many of shortfalls identified by the HCSA.
- Data Management/Reporting (personnel data)
- Centralized Position Description Library (interim repository solution) as part of the Document Management SIO
- Medical Case Management Services as part of the Document Management SIO
- DHS Personnel Accountability System to comply with Federal Continuity Directive – 1
- Deployment of FEMA on the Personnel and Payroll processing system (NFC EmpowHR)
- Implementation of portfolio management to pursue contract consolidation and address service delivery gaps through strategic sourcing opportunities



7. Enterprise Architecture

Initiative Lead: Chris Chilbert
Executive Lead: Dan Cotter

I. Initiative Objective

The objective of this initiative is to implement a DHS Enterprise Architecture (EA) and a cross-cutting Segment Architecture program that:

- Achieves target results.
- Informs investment selection and control decisions.
- Informs system lifecycle definition and design.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- IT Management Outcome #1: *EAMMF Stage Four* - Demonstrate through an independent assessment that DHS has achieved stage four of GAO's Enterprise Architecture Management Maturity Framework (EAMMF) Version 2.0.
- IT Management Outcome #2: *ITIMF Stage Three* - Establish and Implement IT investment management practices that have been independently assessed as having satisfied the capabilities associated with stage three of GAO's Information Technology Investment Management Framework.
- IT Management Outcome #3: *CMMI Level Two* - For major IT systems acquisitions, establish and implement system acquisition management processes that have been independently assessed as satisfying those requirements associated with level two of the Carnegie Mellon Software Engineering Institute's Capability Maturity Model Integration (CMMI).
- IT Management Outcome #4: *Implement IT Human Capital Plan* - Demonstrate progress in implementing the IT Strategic Human Capital Plan (SHCP) and accomplishing defined outcomes, to include, ensuring that each DHS Component CIO has implemented the DHS IT SHCP, to be consistent with Goal 4 of the DHS IT SHCP.

III. Problem Statement and Strategy

DHS has not yet achieved full integration of several Components and Agencies into "One DHS." This hampers information sharing and means that opportunities to improve national security and provide citizen services at a reasonable cost are sometimes lost. EA provides a common framework for translating strategic objectives into mission results in order to optimize the use of Department resources in meeting strategic objectives.

The primary purpose of the EA initiative is to improve mission performance, optimize resources, and unify DHS. This will be achieved by:

- Developing Segment Architectures using the DHS Segment Architecture Methodology (DSAM).
- Continuing to improve a well-defined EA Governance Board (EAB) process.
- Maturing DHS EA using the GAO Enterprise Architecture Maturity Model Framework (EAMMF), version 2.0.
- Providing customer-centric EA Center of Excellence (EACOE) consulting, tools and best practices.

DHS implementation goals (DHS EA FY2012-2016 Strategic Goals) include:

- Plan and Execute Segment Architecture using the DSAM.
- Enhance Operating Effectiveness through the EAB process.
- Mature EA Practices using the EAMMF, version 2.0.
- Strengthen EA Program Management through improved EA Centers of Excellence (COE).



8. IT Program Governance

Initiative Lead: Carlene Iletto
Executive Lead: Richard Spires

I. Initiative Objective

The objective of the IT Program Governance initiative is to establish and develop portfolio and program governance processes that enhance delivery of mission capabilities, prioritize IT programs to meet Departmental business needs, eliminate duplicate functions and systems, provide Departmental investment oversight, and increase program accountability. Enhanced IT program governance will streamline and integrate investment review processes to ensure programs are selected and prioritized based on delivery of Departmental strategic and mission capabilities. Finally, it will assist the Department to determine the optimal allocation of resources across programs to best support the achievement of mission outcomes.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- IT Management Outcome #1: *EAMMF Stage Four* - Demonstrate through an independent assessment that DHS has achieved stage four of GAO's Enterprise Architecture Management Maturity Framework (EAMMF) Version 2.0.
- IT Management Outcome #2: *ITIMF Stage Three* - Establish and Implement IT investment management practices that have been independently assessed as having satisfied the capabilities associated with stage three of GAO's Information Technology Investment Management Framework.
- IT Management Outcome #3: *CMMI Level Two* - For major IT systems acquisitions, establish and implement system acquisition management processes that have been independently assessed as satisfying those requirements associated with level two of the Carnegie Mellon Software Engineering Institute's Capability Maturity Model Integration (CMMI).
- IT Management Outcome #4: *Implement IT Human Capital Plan* - Demonstrate progress in implementing the IT Strategic Human Capital Plan (SHCP) and accomplishing defined outcomes, to include, ensuring that each DHS Component CIO has implemented the DHS IT SHCP, to be consistent with Goal 4 of the DHS IT SHCP.
- IT Management Outcome #5: *Adhere to Program Baselines* - For major investments, demonstrate for at least two consecutive investment increments, that actual cost and schedule performance is within established threshold baseline and those baselined system capabilities/requirements and associated mission benefits have been achieved.

III. Problem Statement and Strategy

The majority of DHS acquisition investments are specific to Component requirements with minimal Department-level prioritization and alignment with overall strategic and mission objectives. Consequently, DHS must improve its policies and adopt best practices that would enable effective oversight and execution of programs, and comprehensive strategies for effective future planning at the Department-level.

The purpose of this initiative is to better align and prioritize IT initiatives and outcomes to the Department's strategic plan, mission objectives, and budget processes. It also seeks to deliver IT services to customers that meet identified performance, cost and quality measures for programs and projects. DHS plans to achieve these outcomes by implementing a tiered governance structure based on identified portfolios (as defined in the Enterprise Architecture) to support strategic, mission and tactical delivery of IT programs. DHS will integrate governance with the budget planning process, mitigate risks, monitor progress, identify opportunities for increased efficiency, and implement standardized processes across the Department.

The overall goals of the IT Program Governance initiative are:

- Improve IT Investment Management across DHS by providing enterprise-level governance and oversight based on Enterprise Architecture (EA) functional IT portfolios.



- Improve the integration of enterprise-wide processes for strategic planning, program management, budget planning, acquisition, and program execution by establishing a tiered structure of enterprise, portfolio, and program levels of governance.
- Improve program health by continuing initiatives to enable IT programs to manage to budget and schedule, mitigate risks and deliver desired functionality.
- Improve IT investment performance reporting across the Department by leveraging the Decision Support Tool (DST) to provide standardization and consistent monitoring of IT portfolios and programs.

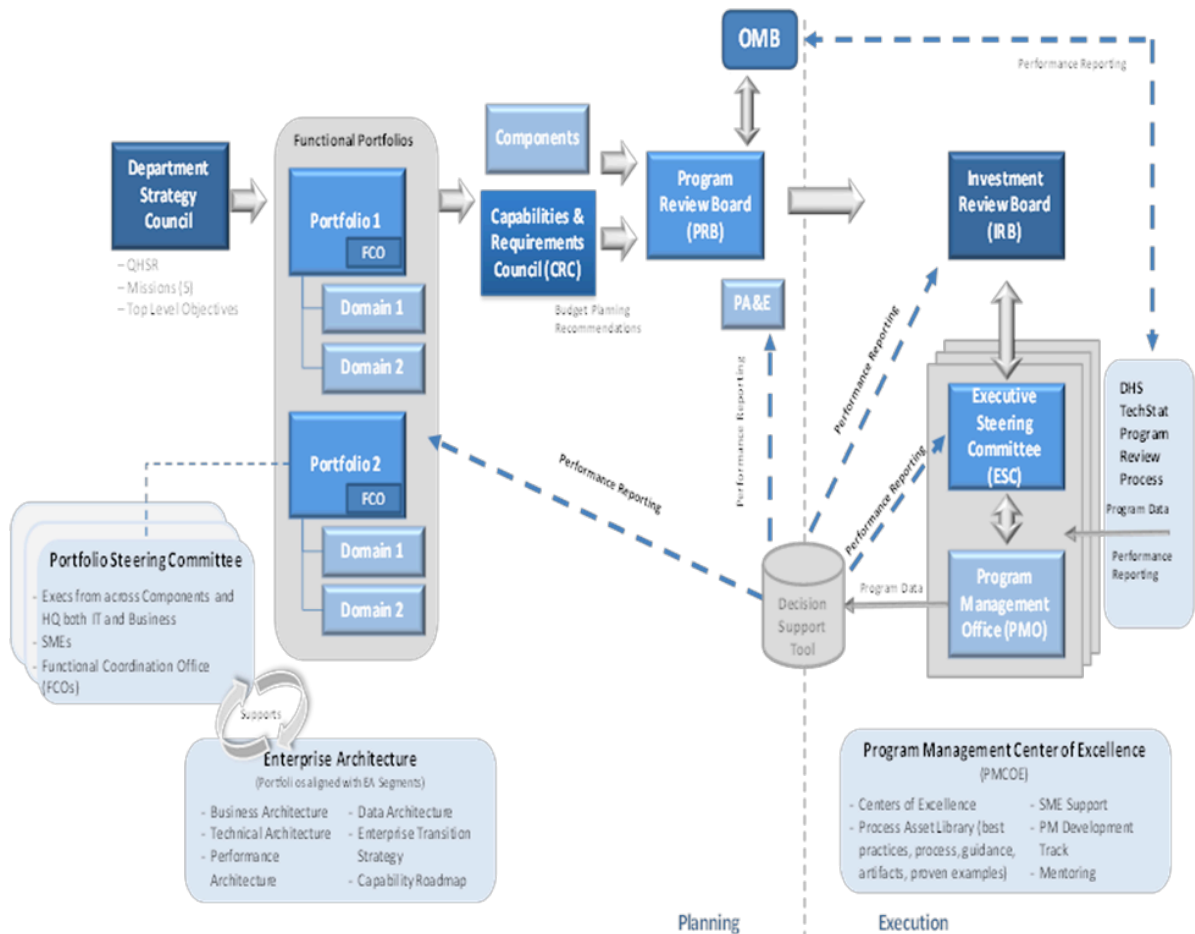


Figure 1. Recommended DHS Governance Operating Model (Draft)

DHS is developing a governance operating framework (see Figure 1, above) that addresses the challenges of governing programs in a major Department. The left side of the diagram, which is focused on planning, depicts the use of functional portfolios with discrete domains, or “primary functions” within portfolios as needed. These functional portfolios work closely with the Enterprise Architecture organization to develop and provide oversight for the to-be architecture reference models and the enterprise transition strategy. For DHS, the portfolios align to the 13 functional segments of the EA. These portfolios receive strategic guidance from the Department Strategy Council (DSC). The Capabilities Requirements Council



(CRC) adjudicates issues across portfolios and works to set overall Department priorities based on input from all the portfolios.

The right side of the model reflects the various governance bodies that provide oversight, control, and assistance during program execution. These bodies include the proposed Investment Review Board (IRB)⁶, the Executive Steering Committees (ESCs), the Program Management office (PMO), and the Technical Centers of Excellence (COEs). The IRB would be the Department's senior program execution oversight governance body. ESCs are established for programs needing more active oversight, and consist of key stakeholder executives to help the program to be successful. The COEs are helping to ensure programs can implement best practice tools and techniques, and provide help to struggling programs. To ensure rigorous oversight, DHS is also standardizing reviews, to include the use of TechStats and Program Management Reviews (PMRs). The DST and the Quarterly Program Accountability Report (QPAR) provide updated program information to all governance bodies on the status of major programs.

⁶ A revision to DHS Acquisition Management Directive 102-01 is pending review; this revision would rename the Acquisition Review Board as the Investment Review Board to reflect an expanded responsibility over both acquisition programs and non-acquisition investments.



9. IT Human Capital Management

Initiative Lead: Maria Roat
Executive Lead: Richard Spires

I. Initiative Objective

The Department of Homeland Security (DHS) IT Strategic Plan, 2010-2015, established a vision of DHS becoming “a world class leader in technology that provides secure, pertinent, and timely information to the right people to promote a secure America.” Consistent with this priority, Goal 4 of the Plan is to “Transform the organizational health of the DHS IT community by developing an exceptional workforce that will function effectively, deliver operational excellence, and grow from within.”

Specifically, below are the objectives from the IT Strategic Plan.

- Objective 1: Attract high-caliber IT professionals by enhancing recruitment, screening and hiring practices.
- Objective 2: Retain and develop high-caliber IT professionals through succession planning, defining IT and program management career tracks, implementing staff development programs, and establishing a mentorship program.
- Objective 3: Establish cross-functional collaboration, increase employee engagement, and communicate a shared vision for the DHS IT community to increase organizational performance and improve employee well-being.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- IT Management Outcome #4: *Implement IT Human Capital Plan* - Demonstrate progress in implementing the IT Strategic Human Capital Plan (SHCP) and accomplishing defined outcomes, to include, ensuring that each DHS Component CIO has implemented the DHS IT SHCP, to be consistent with Goal 4 of the DHS IT SHCP.
- Human Capital Management Outcome #1: *Implement Human Capital Plan* - Develop and demonstrate sustained progress implementing a results-oriented strategic human capital plan that identifies the Department's goals, objectives, and performance measures for strategic human capital management and is linked to the Department's overall strategic plan.
- Human Capital Management Outcome #2: *Link Workforce Planning to Program Planning* - Link workforce planning efforts to strategic and program-specific planning efforts to identify current and future human capital needs, including the size of the workforce, its deployment across the Department and Components, and the knowledge, skills, abilities, and diversity needed for the agency to meet its goals and objectives. This includes collecting valid and reliable data on human capital indicators, such as distribution of employee skills and competencies, attrition or projected retirement rates, and retirement eligibility by occupation and organizational unit.
- Human Capital Management Outcome #3: *Recruiting and Hiring Strategy* - Develop and demonstrate sustained progress in implementing a recruiting and hiring strategy that is targeted to fill both short- and long-term needs, and specifically to fill identified human capital gaps, including diversity and foreign language gaps.
- Human Capital Management Outcome #4: *Leverage Competencies and Individual Performance* - Base hiring decisions, management selections, promotions, and performance evaluations on human capital competencies and individual performance in order to support the agency's overall goals and missions.

III. Problem Statement and Strategy

The DHS IT Human Capital (ITHC) program is chartered to transform the organizational health of the DHS IT community by developing an exceptional workforce that will function effectively, deliver operational excellence, and grow from within.



This involves leveraging existing and implementing new and improved human capital practices within the IT communities that span the DHS enterprise with the aim of building “One DHS” IT Community from traditionally separate organizations.

The four objectives of this initiative are:

1. *IT Talent Acquisition and Branding*. Establish a talent brand and “one-voice” recruitment approach.
2. *IT Employee Development and Retention*. Establish a career path framework aligned with IT competencies that support succession management.
3. *IT Workforce Performance*. Leverage DHS and Component IT best practices to build learning and development programs that enhance IT workforce performance.
4. *IT Workforce Capacity*. Initiate strategic workforce planning to address mission requirements and ensure future availability of a competent workforce.

Ultimately, implementation of this plan will help DHS create a community of highly skilled IT professionals and the IT infrastructures needed to promote a secure America.

DHS began the execution of a comprehensive approach to IT employee recruitment, development, retention, and recognition to ensure excellence in IT delivery across the Department. The primary purpose of this initiative is to create a world-class IT community with common human capital practices to attract, develop and retain high performing professionals that provide pertinent information and best practices to secure America through excellence in service delivery. This will be accomplished by implementing the DHS IT Strategic Human Capital Plan 2010-2012, which outlines a 3-year strategy as described below. This effort relies heavily on cross-Component relationships that have been built. Maintaining those relationships is critical for implementing change and strengthening the “One DHS” mindset.

- Objective 1: IT Talent Acquisition and Branding
 - Develop an IT recruitment strategy and plan defining consolidated recruitment activities amongst DHS Components, to include identifying select universities and professional associations to develop partnerships, consistently using the “One DHS” approach as described below.
 - Develop a DHS IT Brand.
 - Develop a messaging framework for DHS IT talent brand that communicates the power, excitement and importance of DHS IT in a compelling manner.
 - Catalogue existing materials and vehicles currently being used by DHS in support of IT talent recruitment, and make recommendations on the type of materials needed for major communication categories, such as print advertising, and social media.
 - Develop a communications plan of the overall DHS IT strategic human capital implementation effort which identifies the stakeholders, methods and channels for communication, frequency, etc.
 - Create Interview and Selection Guidance.
 - Develop a “One DHS” Immersion Program for new hires
 - Develop a Change Management and Communications Strategy to prepare for effectively identifying, managing, and mitigating any risk to this project that might be derived from the people aspect of change.
- Objective 2: IT Employee Development and Retention
 - Develop an IT competency model guide for use by Human Resources (HR), supervisors, and employees.
 - Create a career path framework and implementation plan incorporating into existing HR structure for career growth and advancement, recruitment strategies, etc.
 - Conduct IT 2210 Series Job Analysis.
 - Implement an IT rewards and recognition toolkit.
- Objective 3: IT Workforce Performance
 - Conduct IT employee survey analysis.
 - Establish an IT learning and development program guide.
- Objective 4: IT Workforce Capacity



- Develop a workforce plan and approach for analyzing workforce data.
- Analyze, track, and report workforce trends.
- Develop metrics to assess human capital performance.
- Update current IT Strategic Human Capital Plan to FY2015.

After a year and a half of developing products related to the priorities outlined in the DHS IT Strategic Human Capital Plan, the next 18 months will be focused on implementation and building the “One DHS” IT Community through multiple approaches e.g., Immersion, developing change agents across Components, utilizing SharePoint and other technology to build a virtual network of IT professionals.

Core themes of this effort include:

- Emphasize creating a clearer link between the work being done and how its building and strengthening the IT community envisioned in Goal #4 of the IT Strategic Plan
- Implement Human Capital Actions – Immersion Program, Career Path Framework, and Change Management Plan.
- Build a stronger focus around SharePoint to promote the “One DHS” IT brand, develop a virtual IT community within DHS, and share products and tools that have been produced as part of this effort.
- Evaluate and update of the DHS IT Strategic Human Capital Plan and the Implementation Plan



10. Information Security

Initiative Lead: Andy Ozment
Executive Lead: Emery Csulak

I. Initiative Objective

The objective of this initiative is to enhance the security of the Department's internal Information Technology (IT) systems and networks by implementing strong IT security controls, periodically verifying and validating implementation of key security controls, and promptly remediating identified security control weaknesses.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- IT Management Outcome #6: *Enhance IT Security* - Establish enhanced security of the Department's internal IT systems and networks as evidenced by: (a) Demonstrate measurable progress in achieving effective information system controls by downgrading the Department's material weakness in financial systems security to a significant deficiency for 2 consecutive years and reducing the deficiencies that contribute to the significant deficiency, as reported by the independent auditors of the Department's financial statements, (b) Implement the federal desktop core configuration on applicable devices and instances across Components, as determined by an independent assessment, (c) Promptly develop remedial action plans and demonstrate sustained progress mitigating known vulnerabilities, based on risk, as determined by an independent assessment, and (d) Implement key security controls and activities, as independently assessed by the Office of Inspector General (OIG) or external auditor based on the Federal Information Security Management Act (FISMA) reporting requirements.

III. Problem Statement and Strategy

Information security weaknesses need to be identified and mitigated in a timely manner to effectively manage risk to IT systems and networks.

The primary purpose of the Information Security initiative is to ensure consistent and visible compliance with DHS information security policy and controls. This will be achieved by improving management visibility, increasing education, and regularly following up with Components and system owners to address gaps in information security implementation. Implementation goals for this initiative include:

- Formalize and improve management visibility into information security risks
- Increase Component accountability for information security
- Increase education and compliance of information security



11. Procurement Staffing Model

Initiative Lead: David Capitano
Executive Lead: Dr. Nick Nayak

I. Initiative Objective

The objective of this initiative is to ensure that DHS has the correct number of federal personnel to properly award and administer contracts. A key enabler of the procurement community's ability to make good business decisions and negotiate optimal contract is a highly skilled and motivated workforce that is adaptable to the challenges presented in a dynamic environment.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- Acquisition Program Management Outcome #2: *Component Acquisition Capabilities* - Establish sufficient Component-level acquisition capability, including CAEs, policies, and procedures, consistent with a knowledge-based acquisition process and staff levels commensurate with the size of the Component's acquisition portfolios.
- Acquisition Program Management Outcome #4: *Trained Acquisition Personnel* - Ensure sufficient numbers of trained acquisition personnel are in place at the Department and Component levels.

III. Problem Statement and Strategy

The Department does not have a reliable model for determining the number of procurement staff required at the Component or Department level. The primary purpose of this initiative is to develop a procurement staffing model to determine the optimal number of operational contract specialists – known by their job series 1102 – required for efficient procurement of critical products and services, and highlight if adjustment is needed regarding the size or grade of the Department's procurement staff.

The Office of the Chief Procurement Officer (OCPO) developed a staffing model using a Department of Veterans Affairs (VA) model as a baseline. The model was adapted to focus on the diverse nature of procurements (e.g., contract type, competition, new awards versus modifications). This adapted version was populated with data from the Federal Procurement Data System (FPDS) to obtain the number of required actions for each type of procurement. OCPO formed a working group of operational procurement personnel to ascertain the number of hours necessary to perform each action. The number of hours, combined with the FPDS data, yielded the total number of operational hours required for the Department as a whole and each Component. The number of operational hours will then be added to the number of indirect hours to obtain the total number of hours required. The total number of hours will be translated into the number of required personnel, and the model will include a sensitivity adjustment based on grade.

The completed staffing model was distributed to the Component Heads of Contracting Authority (HCAs) to continue the socialization on April 16, 2012. The goal is to utilize the model to identify staffing requirements and adjust procurement staffs accordingly. Once the HCAs give their approval, socialization with the Component Heads will need to occur in order to inform budget requests and decisions. The model will be refreshed annually and used by the Components to aid in future staffing adjustments.



12. Strategic Sourcing

Initiative Lead: David Capitano
Executive Lead: Dr. Nick Nayak

I. Initiative Objective

The focus of this initiative has shifted from the sourcing of detection equipment to strategic sourcing as a whole. The objective of this initiative is to utilize strategic sourcing principles on behalf of the Department. Strategic sourcing leverages the Department's buying power to increase savings and other efficiencies by consolidating requirements, increasing standardization of requirements across Components, and enhancing management of commodities or services. Consolidating procurements using enterprise-wide contracts streamlines the acquisition process and saves the Department significant administrative costs.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- Acquisition Program Management Outcome #2: *Component Acquisition Capabilities* - Establish sufficient Component-level acquisition capability, including Component Acquisition Executives (CAE), policies, and procedures, consistent with a knowledge-based acquisition process and staff levels commensurate with the size of the Component's acquisition portfolios.

III. Problem Statement and Strategy

The Department of Homeland Security (DHS) spends over \$17 billion annually on the purchase of goods and services across all of its Component organizations. DHS recognized the opportunity to improve its mission responsiveness by transitioning its acquisition processes to a strategically driven function that presents a systematic and collaborative approach for maximizing each dollar spent. Consistent with the Office of Management and Budget's (OMB) Memoranda for Implementing Strategic Sourcing dated May 20, 2005 and Improving Government Acquisition, dated July 29, 2009, the Strategic Sourcing Program Office (SSPO) was formed to lead the strategic sourcing efforts of the DHS and to assist its Component organizations in identifying opportunities to increase savings through the use of DHS-wide Contract Vehicles.

Over the past three and a half years the SSPO has significantly changed its mission, and how that mission is accomplished. In doing so, the Strategic Sourcing Program has transformed the way the Department thinks about procurement. Since 2009 SSPO changed its mission from conducting detailed spend analysis to merely identify strategic sourcing opportunities to fully implementing identified initiatives. This new mission focused on leading project teams and working closely with both program managers and acquisition staff to design and implement Department-wide contract vehicles that would meet the needs of each of the Department's 22 different Components. In addition to the cross-Component coordination, this new mission also resulted in increased coordination across the various Management Lines of Business and Headquarters (HQ) Offices across DHS. This integrated effort to enhance the Department's strategic sourcing capabilities through this program is evidenced by the significant increase in both the number of strategic sourcing initiatives awarded, and the increased utilization of existing initiatives. The number of active awarded strategic sourcing initiatives has nearly doubled from the 22 initiatives in 2008 to 42 active strategically sourced contract initiatives currently in place. Based on this new integrated approach, the SSPO has implemented 38 new strategically sourced contract initiatives and 267 individual contracts since 2009. The average utilization rate for all strategic sourcing vehicles has also increased significantly from 12% in 2008 to 35% in 2011. This means that in 2011 DHS had 42 active strategic sourcing initiatives with an average utilization rate of 32%. As a result, DHS strategically sourced over \$2.8B, (20%) of its total \$14B procurement spend of in FY 2011.

Today, the DHS Strategic Sourcing Program is widely considered a leading Federal Strategic Sourcing Program by the OMB. Additionally in the November 2011 Acquisition Status Review, Daniel Gordon, Administrator of the Office of Federal Procurement Policy further stated; "The DHS Strategic Sourcing Program is making great strides, and I want to share these best practices with the other agencies." The Department and its Components now understand the value of



identifying common products and services, saving millions in tax payer dollars. By doing so, the Department has decreased administrative costs by reducing the need for Components to individually create, negotiate, award, and manage contracts with similar vendors for the same types of products/services. This also decreases administrative effort for the vendor, which would have been passed back to DHS as overhead costs.

The goal of the Department's SSPO is to develop and deploy sourcing strategies that enhance mission performance and improve acquisition efficiency. The DHS strategic sourcing process supports that goal by:

- Defining the total DHS requirements
- Conducting detailed market research
- Analyzing alternatives (including federal and other agency vehicles, to determine the optimal sourcing strategy for each individual commodity (product/service))

The Strategic Sourcing Program fosters coordination and collaboration among the DHS Components and HQ in the identification, planning, and execution of Department-wide procurements. These Department-wide procurements are developed and implemented by a team comprised of Subject Matter Experts (SMEs) and acquisition professionals from each Component to ensure the needs of the entire Department are met, thereby eliminating the need for Component-specific procurements.



13. Acquisition Workforce Development

Initiative Lead: Ellen Murray
Executive Lead: Dr. Nick Nayak

I. Initiative Objective

The objective of this initiative is to strengthen the DHS Acquisition Process by improving the acquisition workforce. This will enable the Department to field an agile, highly-skilled acquisition workforce ready to acquire and sustain the systems and services necessary to secure the homeland, while ensuring that the Department and taxpayers receive best value for expenditure of public resources. This is a top priority for continuing to improve the way the Department does business and is a central component of our transformational strategy.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- Acquisition Program Management Outcome #2: *Component Acquisition Capabilities* - Establish sufficient Component-level acquisition capability, including Component Acquisition Executives (CAE), policies, and procedures, consistent with a knowledge-based acquisition process and staff levels commensurate with the size of the Component's acquisition portfolios.
- Acquisition Program Management Outcome #4: *Trained Acquisition Personnel* - Ensure sufficient numbers of trained acquisition personnel are in place at the Department and Component levels.
- Human Capital Management Outcome #2: *Link Workforce Planning to Program Planning*—Link workforce planning efforts to strategic and program-specific planning efforts to identify current and future human capital needs including the size of the workforce, its deployment across the Department and Components, and the knowledge, skills, abilities, and diversity needed for the agency to meet its goals and objectives. This includes collecting valid and reliable data on human capital indicators, such as distribution of employee skills and competencies, attrition or projected retirement rates, and retirement eligibility by occupation and organizational unit.

III. Problem Statement and Strategy

The Department needs a highly skilled acquisition workforce, ready to ethically and cost effectively deliver the tools to keep the homeland secure. Specifically, to promote the development and sustainment of a professional acquisition workforce, the Department is fully engaged in three major Acquisition Workforce initiatives: 1) the maintenance of a professional acquisition certification program to train and develop our current workforce; 2) identify training requirements and develop and deliver standardized acquisition training across all Components; and, 3) institute a professional development program that prepares the future acquisition workforce.

To ensure that all Department acquisition personnel receive the appropriate development opportunities, DHS has expanded certification beyond the three programs required by the Office of Federal Procurement Policy (OFPP), which are Program Management, Contracting, and Contracting Officer's Representative. By offering certification programs in Cost Estimating, Program Financial Management, Life Cycle Logistics, Test and Evaluation and Systems Engineering, DHS will ensure that its workforce is properly trained and certified across the entire acquisition spectrum.

The Department must collect and assess the competencies necessary to determine requirements for both certification and training to be able to provide the proper training to the workforce. This is accomplished through Functional Integrated Process Teams (FIPTs) with representatives from the Components and training experts at DHS. These FIPTs address certification requirements at specific experience levels. The Department is also collecting information on the acquisition workforce to better identify development needs.



To help grow the future workforce, the Department established a development program for new acquisition personnel. The Acquisition Professional Career Program (APCP) provides constant attention and peer interaction along with intense mentoring from experienced leaders. This entry-level development program is designed to grow the next generation of DHS acquisition workforce members by honing their skills with diverse experiential assignments and training opportunities on a wide range of leadership and acquisition topics. APCP is designed to grow the DHS acquisition workforce and develop future acquisition leaders in Contracting, Program Management, Systems Engineering, Information Technology, Lifecycle Logistics, and Cost Estimating. The Program features: three one-year rotations in DHS Component contracting or acquisition program offices, acquisition certification and leadership training leading to graduation as a certified acquisition professional and permanent placement in a DHS Component contracting or acquisition offices upon graduation.



14. Component Acquisition Executive Structure

Initiative Lead: David Patrick
Executive Lead: Beth Killoran

I. Initiative Objective

The objective of the Component Acquisition Executive (CAE) initiative is to strengthen the role of the CAE and to improve acquisition management documentation and decision making.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- Acquisition Program Management Outcome # 1: *Review of Acquisition Documentation* - Validate required acquisition documents in a timely manner at major milestones, including life cycle cost estimates, in accordance with a Department-approved, knowledge-based acquisition process.
- Acquisition Program Management Outcome # 2: *Component Acquisition Capabilities* - Establish sufficient Component-level acquisition capability, including CAE, policies, and procedures, consistent with a knowledge-based acquisition process and staff levels commensurate with the size of the Component's acquisition portfolios.
- Acquisition Program Management Outcome # 4: *Trained Acquisition Personnel* - Ensure sufficient numbers of trained acquisition personnel are in place at the Department and Component levels.
- Acquisition Program Management Outcome # 5: *Acquisition Process Compliance* - Establish and demonstrate measurable progress in achieving goals that improve programs' compliance with the Department's established processes and policies, including specific metric for tracking conformance with Department's established processes as well as Department-approved baselines.

III. Problem Statement and Strategy

The purpose of this initiative is to establish an operating structure to provide acquisition and program management oversight, policy, and guidance to meet statutory, regulatory, and higher-level acquisition policy requirements. We have strengthened acquisition management with the implementation of Acquisition Management Directive 102-01. This directive established the overall acquisition management framework for all major acquisition programs, including formalizing the role of the Acquisition Review Board (ARBs).¹¹ All major investments do comply with the management directive by participating in Acquisition Decision Events (ADEs), but we have had intermittent compliance establishing program baselines and fulfillment of program actions established at ADEs.

At present, the structure of Acquisition Management Directive 102-01 and its related instruction and appendices are being transformed to a more usable format. The transformation will maintain current governance and oversight requirements, while including new governance structures that support better investment and acquisition program management and oversight.

As part of this policy, each DHS Component has established a CAE to provide oversight and support to programs within their portfolio. The CAE, who is a senior acquisition official, will serve as the Component representative to the ARB and will also be the Component representative for other Departmental activities, including Executive Steering Committees (ESCs), and supporting Centers of Excellence (COE). Overall, the CAEs will evaluate and enhance the Department's program management and execution capabilities.

¹¹ A revision to DHS Acquisition Management Directive 102-01 is pending review; this revision would rename the Acquisition Review Board as the Investment Review Board to reflect an expanded responsibility over both acquisition programs and non-acquisition investments.



15. Program Management Corps

Initiative Lead: Dave Cotner
Executive Lead: Beth Killoran

I. Initiative Objective

The objective of the Program Management Corps (PM Corps) Initiative is to build the capabilities of the program management workforce, by ensuring the Department has an adequate numbers of experienced, trained and certified staff, and raising the standards of professionalism and performance among program managers.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcome:

- Acquisition Program Management Outcome # 4: *Trained Acquisition Personnel* - Ensure sufficient numbers of trained acquisition personnel are in place at the Department and Component levels.

III. Problem Statement and Strategy

Problem Statement: DHS has a shortage of skilled acquisition professional government staff to fill key program management office (PMO) and Component Acquisition Executive (CAE) staff roles.

Purpose: The purpose of this initiative is to build the capabilities of the program management workforce, by ensuring the Department has adequate numbers of experienced, trained, and certified staff, and by raising the standards of professionalism and performance. The PM Corps, located both at the Departmental and Component levels, will have demonstrated skills and certifications necessary to oversee and support major programs. The PM Corps supports the Department's long-term strategy focused on recruiting, developing and retaining highly competent acquisition and program management professionals.

Method: DHS will develop the acquisition workforce capabilities by: 1) building the PM Corps; 2) leveraging best practices, tools, processes and standards to strengthen program manager training and certification; 3) assisting program management staffs (e.g., from Centers of Excellence (COE)); and 4) increasing the scale and capability of our program management workforce through hiring and retention strategies focused on addressing gaps in key management areas of expertise. Together, these efforts will enhance the program management and execution capability of the DHS acquisition workforce.

Implementation Goals: 1) Determine and assess current core acquisition workforce staffing levels. 2) Develop an assessment model to determine the functional discipline needs and appropriate staff levels for each major acquisition program office based on such factors as size of program, complexity and lifecycle. 3) Ensure that each CAE support office is staffed to execute the responsibilities described in the CAE delegation. 4) Identify education, training, certification, experience required for core acquisition workforce positions. 5) Collaborate with the Office of Federal Procurement Policy (OFPP) to identify a government-wide system (in the absence of a Department-wide system) to track acquisition workforce positions. 6) Classify acquisition workforce positions as critical acquisition positions for vacancy announcements.



16. Business Intelligence

Initiative Lead: Tina Minor
Executive Lead: Beth Killoran

I. Initiative Objective

The objective of the Business Intelligence Initiative is to develop a tool to provide a full range of business intelligence to support program decision making across DHS.

II. Addressed GAO Outcomes

This initiative supports the achievement of the following GAO outcomes:

- Acquisition Program Management Outcome #1: *Review of Acquisition Documentation* - Validate required acquisition documents in a timely manner at major milestones, including life cycle cost estimates, in accordance with a Department-approved, knowledge-based acquisition process.
- Acquisition Program Management Outcome # 2: *Component Acquisition Capabilities* - Establish sufficient Component-level acquisition capability, including Component Acquisition Executives (CAE), policies, and procedures, consistent with a knowledge-based acquisition process and staff levels commensurate with the size of the Component's acquisition portfolios.
- Acquisition Program Management Outcome #5: *Acquisition Process Compliance* – Establish and demonstrate measurable progress in achieving goals that improve programs' compliance with the Department's established processes and policies, including specific metrics for tracking conformance with Department's established processes as well as Department-approved baselines.

III. Problem Statement and Strategy

The Department lacks reliable business intelligence to inform acquisition and financial management decisions.

The primary purpose of the Business Intelligence initiative is to develop and implement a business intelligence tool to support the governance of program investments across DHS. The tool will improve decision making through access to accurate program data and metrics. Access to data that uses common language and baselines will enable reliable analysis for the prioritization of program investments, improve risk management, reduce redundancies, and allocate resources effectively.

A new enterprise system will be designed, developed, and implemented to support strategic executive decision making within Headquarter Chief Executive Offices (CXOs) as well as the Components.

The DST will integrate and enhance the functionalities of existing systems (systems of record for reporting) used throughout DHS, such as the Next Generation Periodic Reporting System (nPRS), Investment Management System (IMS), and Future Years Homeland Security Plan (FYHSP) to generate integrated, high-quality data on program performance.



17. Integrated Investment Life Cycle Model (IILCM)

Initiative Lead: Ruth Sturdivant
Executive Lead: Ms. Peggy Sherry, Dr. Kenneth Buck

I. Initiative Objective:

The IILCM initiative has been moved into the “Transformation” section of this report since it impacts all facets of the Department’s investment portfolio and its full implementation will span multiple years. The objective remains unchanged. The ultimate goal is to strengthen strategic decision-making by implementing a repeatable process at critical phases throughout the investment life cycle.

Figure 1 graphically depicts the functional elements of the IILCM that were originally published in the January 2011 Strategy.

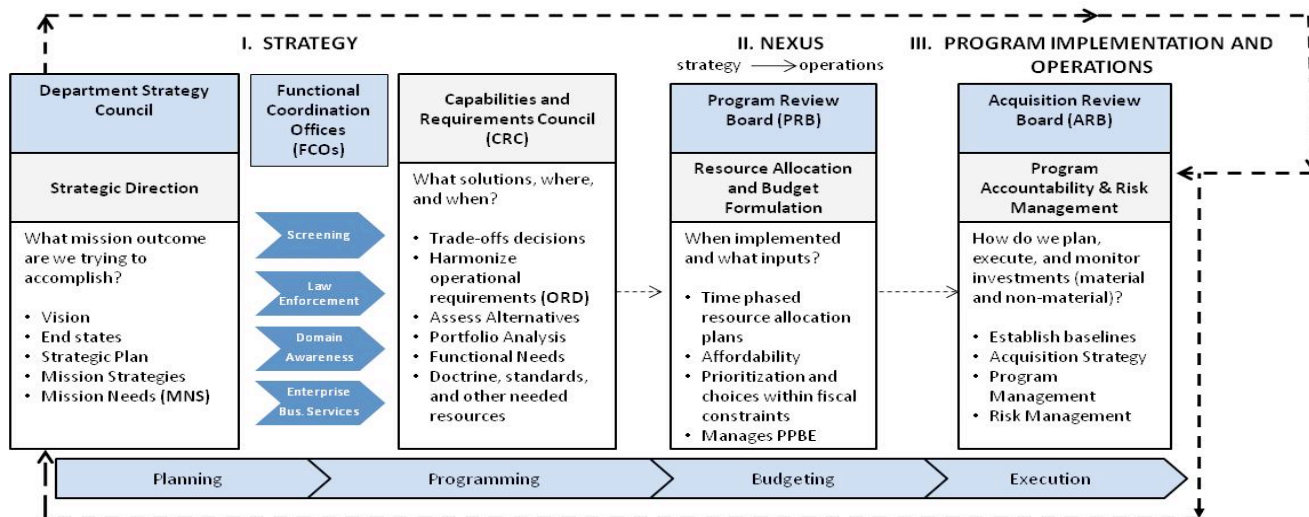


Figure 1. Functional Elements of the Integrated Model of Investment Lifecycle (January 2011)

II. Addressed GAO Outcomes:

This initiative supports the achievement of the following GAO Outcomes:

- Acquisition Program Management (APM) Outcome #3: Joint Requirements Council - Establish and effectively operate the required Joint Requirements Council, or a similar body, to review and validate acquisition program’ requirements DHS-wide and identify and eliminate unintended redundancies.

III. Problem Statement and Strategy:

As mentioned in the December 2011 update, the IILCM is one of the Department’s most significant transformational initiatives since it impacts every investment dollar within the Department’s \$60 billion budget. While many of the functional elements of the IILCM (see Figure 2) are evolving beyond the vision first identified in January 2011, there is still work to be



done to seamlessly integrate each Board/Council. The key steps mentioned in the corrective action plan (CAP) to achieve a seamlessly integrated investment environment rests, in large part, with completing the concept of operations (CONOPs), finalizing the formal decisions to be made by each Board/Council, issuing policy and procedural guidance to define the flow of information between each Board/Council and finally, continue to mature the Department’s business intelligence (BI) capability so decisions are derived from reliable and valid data.

Ultimately, this strategy will more than address GAO Outcome (APM#3) which recommends re-establishing a Joint Requirements Council (JRC) to reduce “unintended redundancies” for acquisition programs. The JRC was a good first step but a fully functional IILCM will provide much greater impact on all DHS investments. In addition to proactively addressing “investment” redundancies, it will also provide a framework to conduct trade-off and predictive analysis for all investments, not just those associated with acquisition programs.

As illustrated in Figure 2, the Department Strategy function, while still in the pilot phase, is producing regular strategic-level documents such as the Quadrennial Homeland Security Review (QHSR), the Integrated Planning Guidance (IPG) and the DHS-wide Strategic Plan. The Department is in the process of developing its second QHSR, which is scheduled to be published in 2013. The 2013 QHSR will include an extensive examination of the security environment, including “threats” and “risk” among the primary criteria for assessing alternatives and will also expand stakeholder outreach.

The Program Review Board(s) (PRB) play an important role in overseeing the annual development of five-year resource plans and budget formulation process, as well as identifying the fiscal realities and constraints for a wide variety of investments. Further, the ARBs have matured significantly during the past twelve months and have become an important decision-making forum that has influenced programmatic strategies (see Accomplish Section under Demonstrated Progress of this chapter).

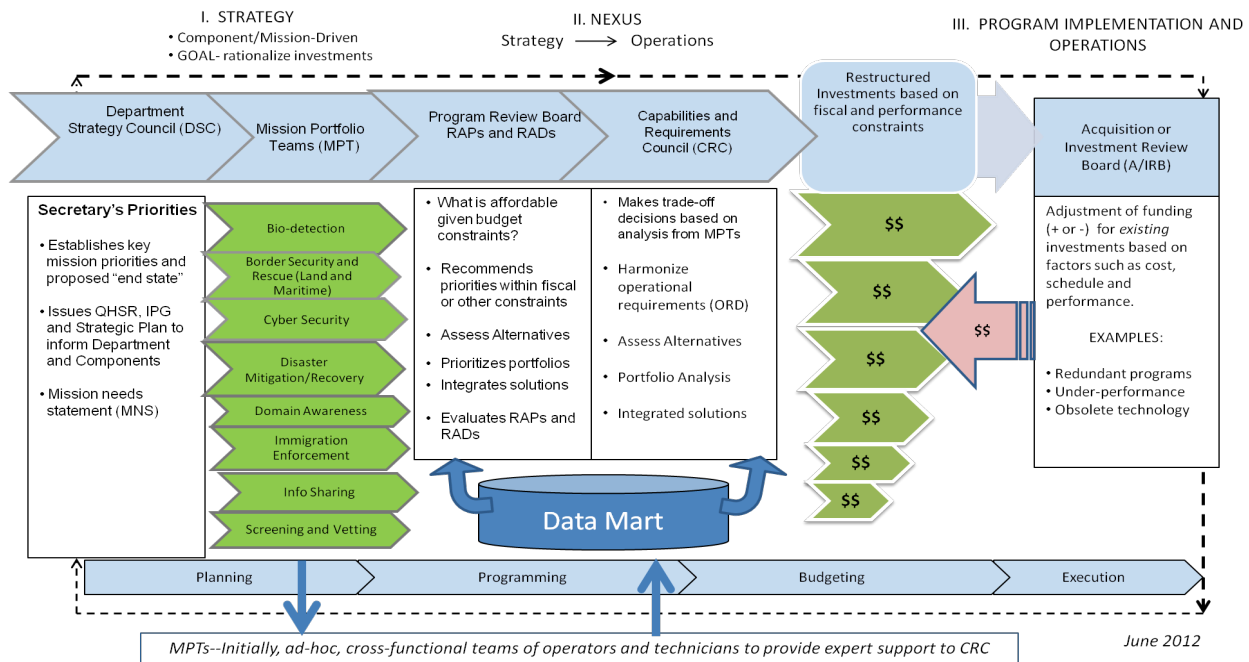


Figure 2. Boards/Councils in IILCM

During the last two budget cycles, teams from the Office of the Chief Financial Officer (OCIO) and Office of Program Accountability and Risk Management (PARM) conducted portfolio reviews of IT investments to determine their viability and performance capability. The information learned from these portfolio reviews provides valuable insights to help define the functional role for the Mission Portfolio Teams (MPT) that are identified in Figure 2. These portfolio reviews were staffed by ad-hoc, cross-functional teams, including staff from the OCFO, and lessons learned from these reviews could be applied to non-IT investments as the IILCM process matures. The methodology is discussed in more detail in Chapter 4 under the IT Program Governance initiative.



The Capabilities and Requirements Council (CRC) will meet in July 2012 and use the most current version of the CFO’s BI technology to evaluate capabilities in select pilot areas such as such as cyber-security, and evaluate the Resource Allocation Plans (RAPs) submitted by the Components. The information from these tools will provide the Secretary with unprecedented transparency into capability gaps, budget plans and affordability of requirements that will inform which investments/programs will be included in the FY 2014-2018 budget submission to the President.

As mentioned earlier, the OCFO has made significant progress to enhance BI capability to inform the current FY 2014-2018 budget formulation process. Today, the CFO is working to provide a complete view of resources, from program plans to budget formulation and execution, including available authority at the appropriation, apportionment and allotment levels. In addition, the CFO is working to integrate financial data at the appropriation line item level to allow for near “real-time” tracking of spending levels against the budget. Finally, the enhanced BI system is able to store key data which will eventually allow for trend and predictive analysis.

The diagram in Figure 3 outlines the eventual “to-be” architecture for the enhanced decision support capability, which is currently being developed jointly by teams led by the OCIO and OCFO.

Vision: DHS’ Integrated Decision Support Capability

Aligning with PPBE, CPIC, IRP, Program Health

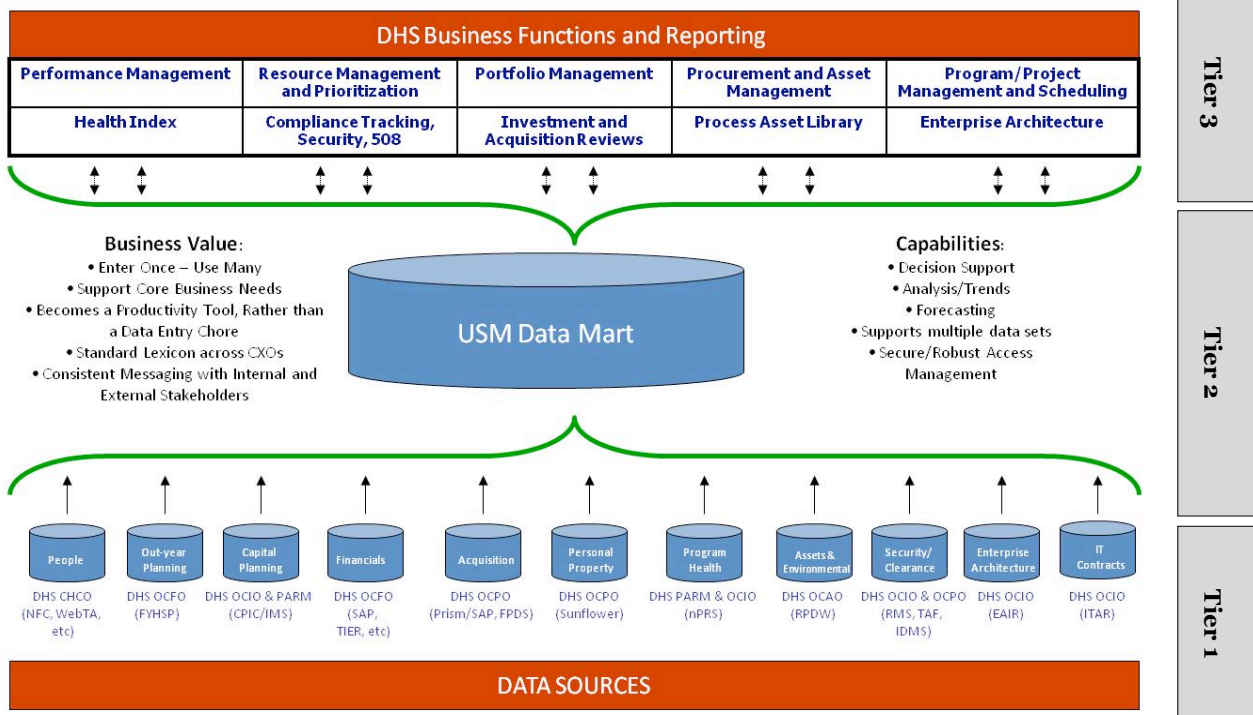


Figure 3. Integrated Decision Support Capability

IV. Phased Approach to Enhancing BI

During the early phases of IILCM development, it became clear that a key challenge to achieving a fully integrated IILCM is a concerted effort to standardize business terms, data elements and a central portal to collect, store and report these data. Without such standardization, the Councils and Boards within the IILCM will not have reliable data upon which to make critical decisions.



Phase 1- The OCFO has made progress to enhance its BI capability through a suite of software tools. The enhanced capability does the following:

- Provides consistent, insightful financial information to improve strategic and tactical decision making.
- Enables focus on the right information to inform DHS leaders in making better financial and management decisions.
- Facilitates collaborative decision making by providing aggregated information from a single trusted source.
- Standardizes on a common language (data standards and dictionary) under a single line of accounting to simplify and accelerate financial reporting for real-time analysis and decision making.
- Delivers a complete view of the budget from formulation to execution including the available authority at appropriation, apportionment and allotment levels.
- Consolidates financial data at the PPA level to track and report spending levels against the budget.
- Provides access to current status of funds, obligations, and commitments against appropriations, budgets and funding.
- Stores key data for historical use, trend and predictive analysis.

Phase 2- In April 2012, the Undersecretary for Management (USM) formally appointed an Executive Steering Committee (ESC), co-chaired by the OCIO and OCFO, to focus on further enhancing BI by identifying and standardizing key data elements across the Department. In addition, the ESC was tasked with enhancing the Department's BI capability by creating a "Data Mart" to house data from several disparate sources. When complete, this data integration effort will establish an important framework to enhance transparency and accuracy for all business decisions. Ultimately, these fundamental changes to technology and processes will provide the foundation to improve overall vertical and horizontal integration across the Department. Figure 3 shows a 3-tiered model that represents the "end-state" of the Data Mart initiative. A central tenet of the Department's management integration strategy is the collection and dissemination of timely, reliable, and accurate information to enhance decision making and inform external stakeholders.

Phase 3- Tier 1 in Figure 3 presents the critical data sources that currently provide data in the areas of financial, human resources and procurement/program management. These data sources will feed into a central Data Mart, which is currently under development and targeted to be piloted in Q4, FY 2012. Tier 3 defines the dashboards or outputs which will display data from Tier 2. When fully operational, the model in Figure 3 will provide more robust integrated decision support capability and allow for more comprehensive assessments of management health, promote improved decision making, and ultimately improve the efficiency and effectiveness of the Department. The IILCM CAP has been modified to account for the activities and timelines to achieve this vision.



18. Management Health Assessment

Initiative Lead: Ashleigh Sanders

Executive Lead: Dr. Ken Buck

I. Initiative Objective

The objective of this initiative is to provide an integrated, systematic methodology for assessing and tracking management health across different Department of Homeland Security (DHS) management functions and Components. This methodology should provide senior leadership with a tool to assess management health across functions and Components on a regular basis; reduce current reporting burden of Components to headquarters by standardizing and streamlining reporting requirements; and promote improved performance and integration across management lines of business.

II. GAO Outcomes

This initiative will help achieve the following GAO outcomes:

- Management Integration Outcome #3: *MI Performance Measures* - Establish performance measures to assess progress made in achieving Department-wide management integration.

III. Problem Statement and Strategy

The Under Secretary for Management (USM) and senior DHS leadership are committed to developing a more effective mechanism to assess and track the overall health of management practices across Departmental and Component management functions (such as financial management, human capital management, IT management, etc.).

The purpose of the Management Health Assessment (MHA) project is to develop, test, and implement a repeatable methodology for tracking indicators of management functional health across the Department and Components. This methodology is expected to assist senior DHS leadership in identifying and diagnosing issues within management functional areas. A secondary goal for the MHA is to standardize and streamline current performance reporting, ideally reducing the reporting burden on line of business chiefs and Components while simultaneously providing a more informative top-level assessment for senior DHS management.

The MHA will be developed using a five phase approach:

Phase 1: Review best practices used in other governmental departments and industry for application to DHS

Phase 2: Establish the current state of performance metrics and reporting across the management lines of business

Phase 3: In coordination with the line of business chiefs, develop a recommended set of efficiency, effectiveness and stakeholder satisfaction metrics for each management function

Phase 4: Pilot the recommended set of metrics to determine if the proposed methodology is viable and useful

Phase 5: Finalize and operationalize the MHA so that it becomes a regular report for senior DHS leadership

DHS will pilot the new methodology (phase 4) in late summer of 2012, by applying it to assess a subset of management functions within headquarters and Components. Based on the results of the pilot run, the metrics and overall visualization tool will be modified (if needed) and implemented across the functions (phase 5).



Methodology for Monitoring Outcome and Initiative Performance

The Department of Homeland Security (DHS) continues to use the methodology published in the December 2011 Report to track the progress of key initiatives and their corrective action plans (CAPs). Using the same methodology enables DHS to show consistency, trending and progress. This methodology is organized around GAO’s five high-risk evaluation criteria: 1) Top Leadership Commitment, 2) Capacity, 3) Corrective Action Plans, 4) Monitoring, and 5) Demonstrated Progress.

In the June 2012 update, DHS places a greater emphasis on illustrating how the initiatives address the 31 GAO Outcomes described in their March 18, 2011 response to the DHS January 2011 Report. This includes showing a more complete mapping of how initiatives support Outcomes, even those in other functional management areas. As part of this effort, DHS has developed additional strategic and tactical performance measures to assess progress in reaching objectives and addressing the GAO Outcomes. Measures taken to objectively and comprehensively monitor progress are discussed in greater detail in the following sections.

I. Indicators of High Risk Criteria

DHS continues to use binary (yes/no) indicators to represent progress under the first four high-risk evaluation criteria (see Figure 1). For the fifth criteria, Demonstrated Progress, DHS uses key performance measures to monitor performance (discussed in the following section). This scoring methodology continues to provide, objective, verifiable consistent, and action-oriented indicators of progress.





 Leadership Commitment	 Capacity	 Corrective Action Plan	 Monitoring
Criteria (Yes/No)	Criteria (Yes/No)	Criteria (Yes/No)	Criteria (Yes/No)
<input checked="" type="checkbox"/> Senior Departmental leadership (Under Secretary, Deputy Secretary) actively monitor progress on a regular basis	<input checked="" type="checkbox"/> Capacity needs (people, funds, etc) assessment conducted	<input checked="" type="checkbox"/> The corrective action plan is likely to achieve organizational outcomes.	<input checked="" type="checkbox"/> Governance and program project review processes are established and active
<input checked="" type="checkbox"/> Initiative documented in Executive Lead performance plans	<input type="checkbox"/> Sufficient resources and staff committed to the initiative	<input checked="" type="checkbox"/> Goals for each activity are measurable and have milestones	<input checked="" type="checkbox"/> Goal progress is proactively managed and failure to achieve plan goals rapidly remediated
<input checked="" type="checkbox"/> Initiative Lead (Manager) assigned; performance plans aligned	<input type="checkbox"/> Critical resource (staff and funding) shortfalls identified and communicated formally through higher leadership requests	<input type="checkbox"/> Program project risks specifically identified and addressed in a supporting risk mitigation plan	<input checked="" type="checkbox"/> Integrated master schedule is developed that documents schedule interdependencies and progress across all USM initiative CAPs

Figure 1: High Risk Criteria and Sample Progress Display



II. Improved Performance Measures

In the December 2011 Report, DHS developed key measures to demonstrate progress against specific objectives and applicable GAO Outcomes. For the June 2012 update, DHS strengthened its measures so that each initiative contains tactical and strategic measures. Tactical measures focus on outputs, products and milestones. For example, meeting the milestones towards the delivery of a business intelligence tool would be considered a tactical measure. Conversely, strategic measures focus on outcomes. Assessing the use of the business intelligence tool in achieving a stated outcome would be considered a strategic measure. The key measure dials differ from prior reports in that they now contain red and green arrows as depicted in the Procurement Staffing Model example shown in Figure 2. The red arrows represent where the key measure was in December 2011 while the green arrow represents the status for June 2012. Using two arrows allows for the Department to show progress over time. For new key measures or measures where no data was collected in December 2011, only one green arrow is shown.

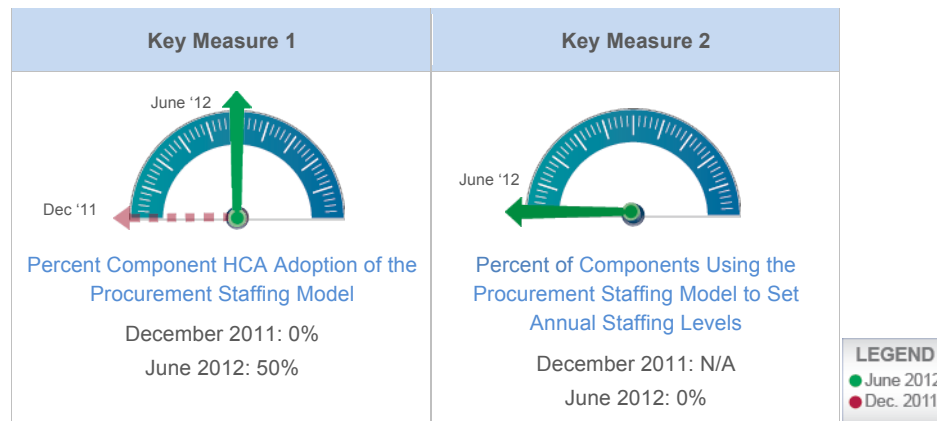


Figure 2: Key Measures Example

III. Reporting Schedule and Required Resources

The Department’s CAP template was designed to provide deeper insight into the overall performance of each initiative. The template uses best practices to monitor information associated with each initiative and includes:

1. *Resources* – planned and actual resources must be reported for each initiative when possible.
2. *Schedule* – each activity now reports the original (baseline) planned completion date and actual completion date.
3. *Goals and Accomplishments* – each activity lists its goals and accomplishments to improve clarity about why it is important to the overall initiative.
4. *Performance* - each activity lists desired outputs that will be produced once the activity is completed.
5. *Remarks* - space is provided to include comments regarding the status of the activity.

IV. Progress Against GAO Outcomes

To allow consistent tracking and evaluation, DHS continues the same reporting format for progress against GAO’s 31 Outcomes (Figure 3). As with the key measures, using the same scale enables DHS to show progress and evaluate trends since December 2011. These reports are part of a self assessment by each line of business that is reviewed by the Management senior leadership and independent subject matter experts.



Rating	Criteria
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 Outcome, but it's too early to report progress.
Not Initiated	Activities have not been initiated to address this Outcome.

Figure 3: Outcome Progress Rating Scale

Figure 4 depicts how DHS uses self assessments and justifications to demonstrate progress against GAO’s 31 Outcomes. The graphics below differ from the December 2011 report because they are designed to show the planned progress from June 2012 to December 2012, and actual progress from December 2011 to June 2012. In the June 2012 rating boxes, red arrows depict the rating of the Outcome in December 2011 while the dark blue box shows the current status. Justifications are also included under Accomplishments and Activities to explain the rational for the rating.

Current Status	
June 2012 Rating	Accomplishments and Ongoing Activities
<p>LEGEND > Dec. 2011 <</p>	<p>DHS Enterprise Architecture (EA) delivered substantial progress against the GAO EAMMF in FY11 increasing maturity by 60% (FY11 Score 2.96); however, there remains significant work to accomplish EAMMF Stage 4 for FY12. The following are objective accomplishments through the second quarter FY12:</p> <ul style="list-style-type: none"> • Implementation of HRIT Segment Architecture Transition Plan • Significant progress on Screening, Integrated Domain Awareness, and IT Infrastructure Segment Architectures • Significant progress on the FY10 Identity, Credentials and Access Management Committee (ICAM) and Information Sharing Environment Segment Architectures including mandatory Personal Identity Verification (PIV) card usage in DHS HQ. • Implementation of DHS EA Strategic Plan using input from all Component Chief Architects. • Updated FY12 DHS EA Roadmap (Integrated Master Schedule (IMS)) • Testing Release 1 of enhanced EA Governance system (SharePoint) • Delivered Release 3 of Enterprise Architecture Information System (EAIR) • Increased cross-component collaboration on Segment Architecture and Acquisition Training (Program Management 101) • Completed independent EAMMF audit of the Transportation Security Administration (TSA) and the Federal Emergency Management Agency (FEMA) • Implemented activities that support the DHS governance framework, resulting in two portfolio governance boards have been chartered and are fully operational (IT Services Governance Board (ITSGB) and the Information Sharing and Safeguarding Governance Board (ISSGB)). Three portfolio level boards are operating with chartering activities in progress (Enterprise Human Capital, Intelligence, and Screening). These three boards are also engaged in the Budget Year 14 review activities.

Figure 4a: Example Ratings for Progress against GAO Information Technology Management Outcome #1



Future Plans						
Projected Dec 2012 Rating	Planned Activities					
<table border="1"> <tr><td>Fully Addressed</td></tr> <tr><td>Mostly Addressed</td></tr> <tr><td>Partially Addressed</td></tr> <tr><td>Initiated</td></tr> <tr><td>Not Initiated</td></tr> </table>	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated	Not Initiated	<ul style="list-style-type: none"> • Continue integration of EA across DHS through human capital management, shared segment architecture, and improved standards through the FEA v3 update due July 2012 • Initiated Financial Assistance (Grants), Tactical Communications, Knowledge Management, and Intelligence Segment Architectures • Release 4 of Enterprise Architecture Information Repository (EAIR)improving integration with other management information systems e.g. CFO's Future Year Homeland Security Programs (FYHSP) system • Expand the automation of EA Governance to support general investment/program governance • Integration of EA processes with other management functions through Centers of Excellence (COE). • Continue delivery against CIO Human Capital Plan for Enterprise Architecture Career Path and Development • Continue independent Enterprise Architecture Management Maturity (EAMM) audits at additional Components. • Continue support of existing governing boards, while standing up additional governing bodies at both the portfolio and program levels.
Fully Addressed						
Mostly Addressed						
Partially Addressed						
Initiated						
Not Initiated						

Figure 4b: Example Ratings for Progress against GAO Information Technology Management Outcome #1

V. Conclusion

This methodology continues to provide DHS with an enhanced ability to track progress over time and represents a new level of rigor in our high-risk management methodology. Since the December 2011 report, DHS has made substantial improvement and all initiatives are being tracked at a greater level of detail than ever before. For example, all initiatives are now reporting baseline performance measures. However, as this methodology is still new, some initiatives will require additional time to conduct resource assessments and establish accountability through performance planning. We anticipate that with each biannual update to GAO, our ability to collect and report this information will become easier, and that the quality of that information will continue to improve.



Root Cause Analysis

Since June 2011, the Department has undertaken efforts to improve upon its initial root cause analysis. According to the GAO, by identifying the root causes, DHS has better positioned itself to address the underlying problems that have affected its management implementation efforts, because it is now able to determine the appropriate corrective actions and monitor the progress of the corrective actions in mitigating the problems facing the Department.¹

In the December 2011 report the Department presented an analysis of how DHS initiatives are addressing the identified root causes; this analysis still holds for the June 2012 report. Table 1 lists the identified twelve root causes², and Table 2 shows how DHS initiatives are addressing both GAO Outcomes and root causes. Following these tables is a more complete discussion of how each DHS initiative is specifically addressing the identified root causes.

Table 1: DHS Root Causes

Root Cause Number	Root Cause Description
1	Strategies requirements, capabilities and resource allocations are not fully integrated across the Department
2	Policies, procedures and internal controls are not vertically aligned from management lines of business to Components
3	Priorities, goals and measures do not adequately drive strategies and budget decisions
4	The Department's management integration strategy requires testing and implementation
5	The Department lacks adequate mechanisms to promote accountability for critical investments and goals
6	The Department lacks reliable business intelligence to inform acquisition and financial management decisions
7	Department-wide technology, infrastructure and operating procedures remain insufficiently compatible, cohesive and redundant across Components
8	The Department-wide Planning, Programming, Budgeting and Execution (PPBE) process remains immature for cross-Component initiatives
9	The Department lacks sufficient program management capability for major (level 1) and high priority programs
10	Recruiting, hiring, training and joint operations are not sufficiently coordinated and consistent
11	DHS lacks effective decision making due to lack of rigorous analysis and alignment among and between Components and headquarters.
12	Budget process to consolidate Components' resource requests is suboptimal

¹ GAO, *The Department of Homeland Security: Continued Progress Made Improving and Integrating Management Areas, but More Work Remains*, GAO-12-365T (Washington, D.C.: March 1, 2012).

² Ten root causes were identified in the June 2011 report, with an additional two added in the December 2011 report based on further analysis.



Table 2: Crosswalk of DHS Key Management Initiatives to GAO Outcomes and Root Causes

Key Management Initiative	GAO Outcomes Addressed	Root Causes Addressed
I. Financial Management (FM)		
1. Financial Systems Improvement and Modernization	Management Integration: 1,2,3,4 Financial Management: 2,3,6,7,8,9	2,7
2. Financial Management and Controls	Management Integration: 1,2,3,4 Financial Management: 1,2,3,4,5,6	2
II. Human Capital Management (HCM)		
3. Workforce Strategy	Management Integration: 1,2,3,4 Human Capital Management: 1,2,3,4,5,6,7	1,2,3,6,7,10
4. Workforce Planning and Balanced Workforce	Management Integration: 1,2,3,4 Human Capital Management: 2,3	2,10
5. Outreach and Targeted Recruiting	Management Integration: 1,2,3,4 Human Capital Management: 3	1,2,6,8,10
6. Human Resources Information Technology (HRIT)	Management Integration: 1,2,3,4 Human Capital Management: 1,2,4,5,7	7
III. Information Technology Management (ITM)		
7. Enterprise Architecture	Management Integration: 1,2,3,4 IT Management: 1,2,3,4	2, 11,12
8. IT Program Governance	Management Integration: 1,2,3,4 IT Management: 1,2,3,4,5	1,2,7,9
9. IT Human Capital Management	Management Integration: 1,2,3,4 IT Management: 4 Human Capital Management: 1,2,3,4,	10
10. Information Security	Management Integration: 1,2,3,4 IT Management: 6	2,7
IV. Procurement Management (PM)		
11. Procurement Staffing Model	Management Integration: 1,2,3,4 Acquisition Program Management: 2,4	6
12. Strategic Sourcing	Management Integration: 1,2,3,4 Acquisition Program Management: 2	1
13. Acquisition Workforce Development	Management Integration: 1,2,3,4 Acquisition Program Management: 2,4 Human Capital Management: 2	9
V. Acquisition Program Management (APM)		
14. Component Acquisition Executive Structure	Management Integration: 1,2,3,4 Acquisition Program Management: 1,2,4,5	9
15. Program Management Corps.	Management Integration: 1,2,3,4 Acquisition Program Management: 4	9
16. Business Intelligence	Management Integration: 1,2,3,4 Acquisition Program Management: 1,2,5	6
VI. Transformational Initiatives		
17. Integrated Investment Lifecycle Model	Management Integration: 1,2,3,4 Acquisition Program Management: 3	1,3,4,5,8
18. Management Health Assessment	Management Integration: 1,2,3,4	2,3,4



I. Root Causes Addressed by Key Management Initiatives

The following tables describe how the eighteen initiatives address the twelve root causes identified by the Department.

Initiative #1: Financial Systems Improvement and Modernization

Root Causes	Description of How This Initiative Addresses the Root Causes
Policies, procedures, and internal controls are not vertically aligned from management lines of business to Components. (RC #2)	<p>Under the DHS decentralized approach to financial management system modernization, Office of the Chief Financial Officer (OCFO) will execute the following actions to address vertical alignment of policies, procedures, and internal controls from the financial management line of business to the Components:</p> <ul style="list-style-type: none"> • Create and promulgate financial management system policy and standards for DHS. • Create the governance and oversight mechanisms to monitor and guide Component adherence to the policy and standards. • Monitor and guide Component adherence to the policy and standards. • Each Component will retain responsibility for compliance with policy, following procedures, and meeting Federal Financial Management Improvement Act (FFMIA) financial security requirements and internal controls.

Initiative #2: Financial Management and Controls

Root Causes	Description of How This Initiative Addresses the Root Causes
Policies, procedures, and internal controls are not vertically aligned from management lines of businesses to Components. (RC #2)	<p>DHS has developed corrective actions, processes and oversight to address weaknesses identified by the auditors and in managements risk assessment; these actions are reported in Component Mission Action Plans (MAPs). In FY 2012, Component Heads are required to provide a commitment statement on all MAPs.</p> <p>DHS CFO meets regularly with DHS Components to review the status of progress against the plans and review upcoming completion dates for actions under way.</p>



Initiative #3: Workforce Strategy

Root Causes	Description of How This Initiative Addresses the Root Causes
Strategies, requirements, capabilities and resource allocation are not fully integrated across the Department. (RC #1)	All Components develop annual operational plans that incorporate the performance measures outlined in the DHS Workforce Strategy.
Policies, procedures and internal controls are not vertically aligned from management lines of business to Components. (RC #2)	The Human Capital Leadership Council meets monthly and provides a mechanism for the Chief Human Capital Officer (CHCO) to ensure vertical alignment. Tools include the policy agenda, through which OCHCO is issuing common human capital policies across DHS; training and reporting requirements; collaboration around the OPM required hiring reform initiative; and Delegated Examining Unit (DEU) and Human Resources Operational Audit (HROA) audits conducted with Components by the Office of the Chief Human Capital Officer (OCHCO) accountability team.
Priorities, goals and measures do not adequately drive strategies and budget decisions. (RC #3)	The redirection of the workforce planning efforts to align with the DHS mission areas is one example in which human capital strategy will eventually be linked to budget decisions.
The Department lacks business intelligence to inform acquisition and financial management decisions. (RC #6)	The standardization of performance measure definitions and collection provides better business intelligence to make decisions about future activities. Moreover, the more robust workforce planning efforts that are underway will also assist with strategic hiring of critical skill areas. Progress toward accomplishing DHS Operational Plan activities will assist in the identification of resource needs and competency gaps.
Department-wide technology, infrastructure and operating procedures remain insufficiently compatible, cohesive, and redundant across Components. (RC #7)	The human capital segment architecture efforts and the new HRIT strategic plan for DHS will be critical to enhancing compatibility and reducing redundancy across DHS. The coordinated Corporate Recruiting Strategy also will improve efficiency and information and resource sharing across Components.
Recruiting, hiring, training and joint-operations are not sufficiently coordinated and consistent. (RC #10)	The coordinated Corporate Recruiting Strategy is already improving coordination of recruiting. There are efforts underway to improve standardization of the onboarding process, and the Leader Development framework, including the newly-launched Cornerstone program for all supervisors, provides consistency in training across DHS. Leader Development training for supervisors throughout the Department will promote a consistent and transparent knowledge base for recruiting hiring and training the future DHS workforce.



Initiative #4: Workforce Planning and Balanced Workforce

Root Causes	Description of How This Initiative Addresses the Root Causes
Policies, procedures, and internal controls are not vertically aligned from management lines of businesses to Components. (RC #2)	Implementation of framework and associated cross-Component, mission-aligned planning initiatives will foster greater alignment.
Recruiting, hiring, training, and joint operations are not sufficiently coordinated and consistent. (RC #10)	Aggregate data from Balanced Workforce Study (BWS) analyses and assessments of staffing and competency gaps will reveal opportunities for economies of scale, increased human capital coordination, and more consistent processes.

Initiative #5: Outreach and Targeted Recruitment

Root Causes	Description of How This Initiative Addresses the Root Causes
Strategies, requirements, capabilities and resource allocations are not fully integrated Department-wide. (RC #1)	As the Department is streamlining many of its activities, enterprise-wide recruiting and outreach efforts need to map to overarching strategies and statutory requirements to allow for the most efficient and effective methods of meeting the requirements. Components will develop a recruiting and outreach plan each fiscal year encompassing its unique recruiting needs while ensuring their goals and objectives align with overarching recruiting and human capital strategies and statutory requirements such as the MD-715 and relevant Executive Orders. In addition, to ensure the integration and coordination of outreach and recruiting resources Department-wide, DHS and its Components will participate in annual planning sessions to discuss recruiting and outreach implementation plans to meet goals and objectives. Component participation in enterprise-wide activities to support the overall DHS recruiting mission will create the infrastructure necessary to display a unified image of DHS as an employer of choice.
Policies, procedures and internal controls are not vertically aligned from management lines of business to Components. (RC #2)	Workforce planning and recruiting are two practices that complement each other. Making the connection between workforce planning and recruiting strategies helps alleviate “sudden” recruiting needs that, in actuality, have been a long time in the making. Developing recruiting strategies based on workforce planning ensures that recruiting efforts align with hiring managers’ needs.
The Department lacks reliable business intelligence to inform acquisition and financial management decisions. (RC # 6)	With efficiency and reduced budgets at the forefront, it is imperative that DHS and its Components track and report on recruiting, outreach, and marketing activities using the same set of metrics. Doing so will allow for meaningful analysis and identification of inefficiencies and problematic areas in the process. Standardized metrics will include such parameters as the name of recruiting event, location, cost for participation, cost for travel, special emphasis, target audience, return on investment, and after action reporting.
The Department-wide PPBE process remains immature for cross-Component initiatives. (RC #8)	Current marketing and branding efforts are focused at the Component level. To redirect marketing and branding to the Department level, Components will participate in annual planning sessions to discuss marketing and branding strategies and plans to meet goals and objectives. Marketing and advertising policies, processes, and procedures will be put in place to limit the amount of Component-specific advertising campaigns when an enterprise-wide need for recruiting exists.
Recruiting, hiring, training, and joint operations are not sufficiently coordinated and consistent. (RC #10)	With increasing workforce challenges and reduced resources, local recruiting and outreach practices will be strengthened and enhanced to reduce travel costs and realize success in hiring the right people for the right jobs and improving the diversity of our workforce.



Initiative #6: Human Resources Information Technology

Root Cause	Description of How This Initiative Addresses the Root Cause
<p>Department-wide technology, infrastructure and operating procedures remain insufficiently compatible, cohesive, and redundant across Components. (RC #7)</p>	<p>This initiative is committed to maturing HRIT portfolio management in the Department through the HRIT Executive Steering Committee (ESC) and Human Capital Segment Architecture (HCSA) outcomes. An HRIT strategic plan has been developed to provide guidance on the way forward that will address the root cause issue.</p>

Initiative #7: Enterprise Architecture (EA)

Root Causes	Description of How This Initiative Addresses the Root Causes
<p>Policies, procedures, and internal controls are not vertically aligned from management lines of businesses to Components. (RC #2)</p>	<p>Standardized and aligned processes will increase efficiency and effectiveness as well as improve operational capacity e.g. Enterprise Architecture is better aligned to support collective action and planning across HQ and Component Enterprise Architecture Program Management Offices. EA and Segment Architecture best practices can be applied to other management areas such as IT Operations, Policy, and System Engineering Lifecycle Management.</p>
<p>DHS lacks effective decision making due to lack of rigorous analysis and alignment among and between Components and HQ (RC #11)</p>	<p>The EA, in particular Segment Architecture, provides information and a framework for cross-cutting timely decision making for improvement opportunities including but not limited to major IT investments.</p>
<p>Budget Process to consolidate Components' resource requests is suboptimal (RC#12)</p>	<p>The Functional Segment Architectures provide cross-Component (Enterprise) review to support budget decisions.</p>

Initiative #8: IT Program Governance

Root Causes	Description of How This Initiative Addresses the Root Causes
<p>Strategies, requirements, capabilities, and resource allocations are not fully integrated Department-wide. (RC #1)</p>	<p>The Enterprise Business Management Office (EBMO) management team has been augmented with additional experienced staff members as part of a new realignment. EBMO's organizational realignment is now configured to meet the requirements of the 25 Point Implementation Plan To Reform Federal Information Technology Management outcomes and the DHS initiatives. This new EBMO management has created a DHS governance framework that will foster integration of strategies, requirements, capabilities and resource allocations Department-wide through the establishment and maturation of the tiered governance framework (enterprise, portfolio and program governance) to manage existing IT programs, balance new investments against existing infrastructure, prioritize investments, and effectively reuse IT systems and capabilities across the Department (see figure 1 above). A newly approved Concept of Operations (CONOPS) for the portfolio governance structure promulgates processes that support the development of a tiered Enterprise Portfolio Governance structure that seeks to achieve a</p>



Root Causes	Description of How This Initiative Addresses the Root Causes
	<p>GAO Stage 3 capability in IT Investment Management Framework (ITIMF) by Q4 FY13. Leveraging the enterprise architecture structure, DHS EA has established and aligned its major and non-major investments into 13 functional portfolios. Each functional portfolio will be supported by a Functional Coordination Office (FCO). The Department has implemented the portfolio governance structure for five functional portfolios in FY12. The IT Services Governance Board (ITSGB) and the Information Sharing and Safeguarding Governance Board (ISSGB) have been chartered; the Enterprise Human Capital, Intelligence and Screening Portfolios are effectively operating and will have been chartered by Q4 FY12.</p> <p>The Department also has implemented 14 ESCs; decision-making bodies providing guidance, oversight, designated acquisition decision authority and management support to priority programs.</p>
<p>Policies, procedures, and internal controls are not vertically aligned from management lines of businesses to Components. (RC #2)</p>	<p>The DHS governance framework supports the vertical alignment of policies, procedures and internal controls. EBMO’s reorganization has led to improved tiered governance which promotes vertical lines of business, involving stakeholders at each level. This governance framework aligns priorities to the highest levels of the enterprise, and engages key executives to determine the optimal allocation of resources to determine mission outcomes. The governance structure (enterprise, portfolio and program levels) will consist of governance board membership, policies, procedures and activities that are integrated across business, IT, and user communities, and will align strategic priorities and decisions based on input from the Department Strategy Council (DSC) and the Capability and Requirements Council (CRC). It is a federated model that will require resource contributions from all participating organizations.</p> <p>The 13 named functional portfolios are aligned with the Enterprise Segment Architecture mapping. A standardized framework (common charter, roles and responsibilities, etc.) will further reinforce alignment between management lines of business and Components.</p> <p>This structure ensures that key stakeholders are involved in key decisions, and enhances enterprise investment alignment. Effective enterprise governance is integral to the planning cycle before the launch of new programs (or upgrades of existing systems), providing clear direction and stated outcomes in support of a program’s execution.</p> <p>The tiered governance framework also establishes ESCs, at the program level, to provide guidance, decision-making authority, and oversight of the programs. With delegated authority from the Acquisition Review Board (ARB), ESCs foster a collaborative decision-making environment with key executive representation from business owners and IT executives (for IT programs) to promote a partnership model and to ensure equities across the enterprise. An ESC’s delegated authority does not supersede the authority of the ARB, but rather provides a forum by which the Program Manager (PM) can bring key issues and trade-off decisions to an informed, empowered body that has a vested interest in the program’s success. EBMO has established ESCs for 14 of 16 priority program projects the remaining two ESCs will be chartered in FY12.</p> <p>Performance Measures have been established to align procedures across programs. The performance measures ensure the use of the individual ESC team sites. Known as the “ESC Health Criteria,” this effort is being used to measure the effectiveness and engagement of the Program Manager and secretariat functions of each ESC. Finally, program governance is enhanced through the leadership and support from the ARB, the Centers of Excellence (COEs), Tech Stat reviews and IT Acquisitions Reviews (ITARS).</p>



Root Causes	Description of How This Initiative Addresses the Root Causes
<p>Department-wide technology, infrastructure, and operating procedures remain insufficiently compatible, cohesive, and redundant across Components. (RC #7)</p>	<p>The ITSGB is prototyping many of the common procedures and approaches that will be used by all of the Portfolios. ITSGB is a cornerstone in the Department’s plans to upgrade technology, infrastructure, and operating procedures. The ITSGB has been identifying IT infrastructure strategies within the “Services” Portfolio and its seven domains of IT infrastructure (Data Centers, Software, Networks, Wireless, Sites, Desktop, and Help Desks). It evaluates cost effective technologies that can meet common capability gaps that exist across the Department. Infrastructure benchmarks and metrics are used to create cross-Component comparisons and minimize redundancy and reduce costs.</p> <p>The Department has put in place many elements that support a compatible, cohesive infrastructure and standardized operating procedures. A data center consolidation program is well underway, with compliance managed through the governance processes, including program reviews and the ITARs.</p> <p>The Department has established and utilizes enterprise services such as public and private cloud, e-mail as a service, virtual desktops, etc. as another step driving common approaches and solutions throughout DHS. Services are being instituted for software and application development from DHS providers. Reviews within the Capital Planning and Investment Control Process (CPIC) also drive compatibility with policies and ensure that potential redundancies are discussed in a resource constrained environment across Components.</p>
<p>The Department lacks sufficient program management capability for major (level 1) and high priority programs. (RC #9)</p>	<p>To address the lack of sufficient program management capabilities for major high priority IT investments, the Department has developed a number of support and oversight capabilities including:</p> <ul style="list-style-type: none"> • Implementation of an IT Program Management Development Track for Program Managers. This is a 12-month, customized training course that provides a primer on IT Program Management and addresses IT Project Manager and Project Team roles and responsibilities; project selection, project charter, project plan, scope, and requirements; stakeholder management; Work Breakdown Structure; scheduling; risk management; estimation; project communications; design and specification; integration; delivery; and performance management. There are two tracks currently in session. The first class of 27 students is set to graduate in July, 2012. The 25 students of the second track will graduate in September, 2012. • Establishment of Technical Centers of Excellence with resources, best practices, templates, and tools to assist Program Managers. In addition, these COEs enable experts to serve as mentors for other staff to help them develop skills and experience in different technical and managerial areas that support program execution. • Establishment of System Engineering Life Cycle course, which teaches SELC methodology to program managers to help them deliver their investments consistent with DHS guidance.



Initiative #9: IT Human Capital Management

Root Cause	Description of How This Initiative Addresses the Root Cause
<p>Recruiting, hiring, training, and joint operations are not sufficiently coordinated and consistent. (RC #10)</p>	<p>This initiative will help create a DHS IT community with common talent practices to attract, develop and retain high performing professionals that provide pertinent information to secure America through excellence in service delivery. This effort is a Chief Information Officer (CIO) High Priority Initiative being led by the DHS Federal Emergency Management Agency (FEMA) Deputy CIO aligning with the Chief Human Capital Office (CHCO). The IT Human Capital Steering Committee is comprised of representation from each DHS Component along with subject matter experts participating in four action teams which will develop an IT Recruitment Strategy and Plan, an IT Talent Brand, an IT Competency Modeling Usage Guide, along with Interview and Selection Guidance.</p>

Initiative #10: Information Security

Root Causes	Description of How This Initiative Addresses the Root Causes
<p>Policies, procedures, and internal controls are not vertically-aligned from management lines of businesses to Components. (RC #2)</p>	<p>This initiative ensures the application of policy and procedures are consistent as defined in the annual Information Security Performance Plan. The plan helps ensure information security can be clearly articulated to the business functions. The plan also enables Components to report compliance at both the Component and business level for improved accountability.</p>
<p>Department-wide technology, infrastructure, and operating procedures remain insufficiently compatible, cohesive, and redundant across Components. (RC #7)</p>	<p>This initiative is defining compliance reporting requirements based on National Institute of Standards and Technology (NIST) reporting standards for security authorization and continuous monitoring. By leveraging federal reporting standards, improving education and standardizing results, the initiative will make interpretation more consistent and cohesive across Components.</p>

Initiative #11: Procurement Management: Procurement Staffing Model

Root Cause	Description of How This Initiative Addresses the Root Cause
<p>The Department lacks reliable business intelligence to inform acquisition and financial management decisions (RC#6)</p>	<p>A procurement staffing model will identify gaps in the number of required procurement personnel at both the Component and DHS level. This identification provides the Department with business intelligence to assist in making resource allocation decisions across the Department and on an individual Component basis when available procurement staff is greater or less than the number of procurement staff called for by the model.</p>



Initiative #12: Strategic Sourcing

Root Cause	Description of How This Initiative Addresses the Root Cause
<p>Strategies, requirements, capabilities and resource allocations are not fully integrated across the Department (RC#1)</p>	<p>Strategic sourcing principles emphasize the leveraging of the Department’s buying power in order to increase savings and other efficiencies by consolidating requirements, increasing standardization of requirements across Components, and enhancing management of commodities or services. Consolidating procurements using enterprise-wide contracts streamlines the acquisition process and provides for a more efficient allocation of resources and saves the Department significant administrative costs.</p>

Initiative #13: Acquisition Workforce Development

Root Cause	Description of How This Initiative Addresses the Root Cause
<p>The Department lacks sufficient Program Management capability to effectively manage major programs across the Department or within a Component (RC#9)</p>	<p>This initiative increases the Department’s ability to effectively manage major programs by promoting the development and sustainment of a professional acquisition workforce. We have established a professional certification program to train and develop our current workforce and ensure each individual meets mandatory education, training, and experience requirements for their specific acquisition position. Because the federal acquisition environment is challenging and rapidly changing, we also require continuous learning programs to help workforce members maintain professional currency, meet ethical standards, and keep updated with lessons-learned throughout industry and the federal government. We have instituted professional development programs that develop the future acquisition workforce as well as future executives to meet future acquisition challenges.</p> <p>DHS has expanded certification beyond the three programs required by the Office of Federal Procurement Policy: Program Management (PM), Contracting (FAC-C), and Contracting Officer’s Representative (COR). By offering certification programs in Cost Estimating (CE), Program Financial Management (PFM), Life Cycle Logistics (LCL), Test and Evaluation (T&E) and Systems Engineering (SE), DHS is ensuring that its workforce is properly trained and certified across the entire acquisition spectrum. This expansion promotes the professionalism of the entire DHS acquisition workforce.</p> <p>Training and certification of acquisition personnel is expected to improve DHS acquisition processes by establishing consistent standards across the Department and educating acquisition professionals on the DHS Acquisition Lifecycle Framework. It is also expected to result in better acquisition documentation, better life cycle cost estimates, more rigorous testing and increased collaboration between Components, functional areas, and headquarters.</p> <p>Establishing consistent training, certification, and program assessment ensures that DHS as a whole is better situated to evaluate program performance and management, identify program issues, and ensure timely corrective actions. At the program level, personnel trained in and familiar with sound program management fundamentals are more likely to take early action on their own, work across traditional boundaries and overcome many of the specialty stovepipes that have historically plagued government acquisitions in the past reducing risk to program success.</p>



Initiative #14: Component Acquisition Executive Structure

Root Cause	Description of How This Initiative Addresses the Root Cause
The Department lacks sufficient program management capability to effectively manage major programs. (RC #9)	Program management has to occur as a multi-tiered process. The Component Acquisition Executive will provide a mechanism to effectively manage programs at the Component level.

Initiative #15: Program Management Corps.

Root Cause	Description of How This Initiative Addresses the Root Cause
The Department lacks sufficient program management capability to effectively manage major programs across the Department or within a Component. (RC #9)	This initiative will develop high-performing and integrated program management capability and continue procurement oversight.

Initiative #16: Business Intelligence

Root Cause	Description of How This Initiative Addresses the Root Cause
The Department lacks reliable business intelligence to inform acquisition and financial management decisions. (RC#6)	The DST will integrate and enhance the functionalities of existing systems (systems of record for reporting) used throughout DHS, such as the Next Generation Periodic Reporting System (nPRS), Investment Management System (IMS), and Future Years Homeland Security Plan (FYHSP).

Initiative #17: Integrated Investment Lifecycle Model (IILCM)

Root Causes	Description of How This Initiative Addresses the Root Causes
Strategies, requirements, capabilities and resource allocations are not fully integrated Department-wide. (RC #1)	<p>The IILCM construct allows the Department to better integrate strategies, capabilities and resources with Department investments.</p> <p>The IILCM construct creates the forums necessary (DSC, CRC, etc.) to operationalize strategy through integrated planning, resourcing, and capability decisions.</p> <p>It promotes collaborative decision-making by key leaders and provides a mechanism to resolve issues regarding mission overlaps, responsibilities, or requirements.</p> <p>The IILCM construct makes use of analytic support mechanisms such as a Decision Support Tool (populated with definitive data from authoritative sources within the Department) and Subject Matter Expertise to promote fact-based decision-making in a resource decision forum.</p>



Root Causes	Description of How This Initiative Addresses the Root Causes
<p>Priorities, goals, and measures do not adequately drive strategies and budget decisions. (RC #3)</p>	<p>The IILCM is a paradigm shift in budget formulation from a reactive to proactive stance. Through the IILCM, gaps and deficiencies can more easily be identified, prioritized, and addressed. When the overall picture of capabilities is considered, strategy will drive execution and budget decisions.</p>
<p>The Department’s management integration strategy requires testing and implementation. (RC #4)</p>	<p>The EDMI clearly distinguishes dual roles as a participant in the development of the IILCM Operating Concept, and as a facilitator of its implementation.</p> <p>With regards to development, an Operating Concept that is “agreed to” by stakeholders and process owners is a key measure of the IILCM. The operating concept will be tested through a series of scenario exercises with the IILCM Executive Steering Council and adjusted as corrections become necessary. Without this “agreed to” Operating Concept, the IILCM may not have the critical momentum required for implementation.</p>
<p>The Department lacks mechanisms to promote accountability for critical goals and investments. (RC #5)</p>	<p>The IILCM operating concept aligns strategies with operational resources and assigns accountability for outcomes to those organizational elements with operational responsibility.</p>
<p>The Department-wide PPBE process remains immature for cross-Component initiatives. (RC #8)</p>	<p>Institutionalization of the IILCM will require the long-term cultivation of dedicated Subject Matter Expertise with a strong knowledge of Mission Space and the ability to make connections across programs and Components. This mission expertise, complemented by strong program and financial analytics, and an Enterprise Program Prioritization methodology provide the building blocks for maturing the PPBE process to support cross-Component initiatives.</p>

Initiative #18: Management Health Assessment

Root Causes	Description of How This Initiative Addresses the Root Causes
<p>Policies, procedures and internal controls (RC#2)</p>	<p>This initiative develops a new tracking procedure and new internal controls for assessing overall management health</p>
<p>Priorities, goals, and measures do not adequately drive strategies and budget decisions. (RC #3)</p>	<p>This initiative will review current measures used to assess management functions and potentially revise them to be better aligned with strategic goals.</p>
<p>The Department’s management integration strategy requires testing and implementation. (RC #4)</p>	<p>An integrated, cross-component and cross-functional management health index will assist DHS in strategically managing component and headquarters functions</p>