

Integrated Strategy for High-Risk Management

Strengthening Management Functions

A Biannual Update to the Government Accountability Office

March 2017



**Homeland
Security**

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Homeland
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MAR 31 2017

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

Dear Mr. Dodaro:

I am pleased to submit the 12th update to the U.S. Department of Homeland Security's (DHS's) *Integrated Strategy for High-Risk Management*. This update discusses our continued work to strengthen Department management functions and serves as our plan to address GAO outcomes, criteria, and recommendations set forth in the 2017 GAO *High-Risk Series*.

We appreciate GAO's recognition of the Department's significant progress, including improving on many of the 30 GAO outcomes that span across financial, acquisition, human capital, and information technology management. In 2015, GAO rated DHS as having Fully Addressed or Mostly Addressed just 47% of the 30 GAO outcomes. However, in February 2017, GAO reported that this rate had improved to 70%. As GAO notes, this is due in large part to the strong commitment demonstrated by the Department's top leaders, who remain dedicated to building on past successes to further strengthen and integrate Department-wide management functions.

In addition, we are equally pleased that, in the past two years, DHS has joined only four other federal agencies to have met three of GAO's five criteria for removal from the High-Risk List. The enclosed action plans provide a clear roadmap for the Department to further build on these successes. Be assured that sustaining progress and addressing the areas that still require focused attention remain a top priority of the Department's senior leadership.

DHS has made great strides toward achieving our goal of fully addressing all 30 GAO outcomes and meeting the remaining criteria for removal. DHS is stronger as a result of our partnership with GAO and I look forward to our continued progress.

Sincerely,

A handwritten signature in black ink, appearing to read "Chip Fulghum".

Chip Fulghum
Acting Under Secretary for Management

Enclosure

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Overview



Overview



Summary

The U.S. Department of Homeland Security (DHS) presents the 12th update to its *Integrated Strategy for High-Risk Management* (hereafter: *Integrated Strategy*). The *Integrated Strategy* outlines the Department's actions to strengthen management functions while addressing a related High-Risk List designation by the Government Accountability Office (GAO). First issued in 2011, the biannual *Integrated Strategy* has been commended by GAO as a best practice and is now required by statute.¹ In this update, DHS reports significant progress in addressing GAO criteria and DHS-specific outcomes for removal from the High-Risk List.

Recent Progress

In its recent 2017 *High-Risk Series*, GAO substantially improved the Department's ratings. Based on progress made in 2016, DHS has now met the majority of GAO's five criteria for removal from the High-Risk List (hereafter: GAO criteria), making DHS one of only four federal agencies to have achieved this milestone (see Chapter 1).²

As discussed in Chapter 2, GAO rated DHS as either Fully Addressed or Mostly Addressed on 70% (21 of 30) of GAO High-Risk Outcomes (hereafter: GAO outcomes), a significant improvement compared to 47% (14 of 30) in 2015 and 26% (8 of 31) in 2013.³ See Appendix A for a comparative summary of GAO's 2015 and 2017 ratings and Appendix B for complete descriptions of all 30 GAO outcomes.

This dramatic improvement in just two years led GAO to acknowledge the Department's demonstrated progress in strengthening its management functions.⁴ In improving DHS's ratings, GAO recognized the Department's Secretary, Deputy Secretary, and Under Secretary for Management for demonstrating exemplary leadership commitment.⁵ Leadership commitment is the foundation of the Department's achievements in strengthening management and addressing High-Risk List issues.

In the **Financial Management** area, DHS received a clean audit opinion on its financial statements for the fourth consecutive year, continued to strengthen and mature its internal control processes, and made progress on three multi-year projects to modernize financial management systems for selected Components. GAO noted that additional work is needed to remediate three remaining material weaknesses, which will aid the Department's ability to establish effective internal controls over financial reporting and comply with financial management system requirements.⁶

With regard to **Human Capital Management**, GAO favorably recognized the Department's structured workforce planning for mission critical occupations, enhanced employee engagement activities, improvements in enterprise leader development, and Human Capital Strategic Plan. The two areas that need additional work are instituting an integrated learning management system in certain DHS Components and continuing to improve employee morale.⁷

In **Information Technology Management**, the Department strengthened its tiered governance approach, enhanced investment oversight, changed its service paradigm from acquiring assets to acting as a service broker, and made progress with implementing a workforce strategic plan. Additional work remains to develop the workforce so it has the necessary skills to operate in the broker model and to eliminate a material weakness in information technology systems controls for financial reporting.⁸

Finally, in **Acquisition Management**, GAO indicated that the Department met its goal of approving required documentation for all major acquisition programs, including acquisition program baselines (including cost, schedule, and performance), and matured the role of the Joint Requirements Council to validate operational capability and requirements through an evolving operational requirements process. Additional work remains within acquisition management to strengthen the methodologies that assess staffing gaps and track and report the progress of major programs to achieve cost, schedule, and performance goals.⁹

¹ National Defense Authorization Act for Fiscal Year 2017, Public Law 114-328 § 1903(b) (codified at 6 U.S.C. § 341(a)(11)), page 674. The statute requires DHS to issue an updated report to GAO every six months.

² GAO identified five criteria to be met to be eligible for removal from the High-Risk list: 1) Leadership Commitment, 2) Action Plans, 3) Monitoring, 4) Capacity, and; 5) Demonstrated Progress. DHS has "met" the first three criteria.

³ GAO reduced the total number of outcomes from 31 to 30 in March 2014, between the 2013 and 2015 High-Risk Series reports.

⁴ GAO, *High-Risk Series*, GAO-17-317 (Washington, D.C.: February 15, 2017), page 365.

⁵ *Ibid*, page 354, 356.

⁶ *Ibid*, page 368.

⁷ *Ibid*, pages 369-370.

⁸ *Ibid*, pages 367-368.

⁹ *Ibid*, page 367.



Priorities Moving Forward

In addition to focusing on resolving the issues associated with employee engagement, acquisition staffing gaps, internal control material weaknesses, and financial systems modernization, the Department will continue to:

- Implement the *Integrated Strategy* and provide biannual updates to GAO;
- Closely track corrective actions, independently verify progress, and make adjustments when needed;
- Maintain top leadership support and sustained commitment to ensure continued progress in executing corrective actions through to completion;
- Continue to identify the people and resources necessary in key areas to make progress toward achieving GAO outcomes, work to mitigate shortfalls and prioritize initiatives, as needed, and communicate to senior leadership any critical resource gaps; and
- Demonstrate sustainable progress by fully addressing the remaining 17 GAO outcomes.

The Department's *Unity of Effort* initiative, noted by GAO as an indicator of DHS's growing maturity, was a focal point of transition briefings for the current administration. As indicated in Secretary Kelly's confirmation hearing, the Department's leaders are dedicated to building on prior initiatives to continue strengthening management functions.¹⁰

Historical Context

Since the creation of DHS in 2003, each administration has built upon the progress of its predecessors to forge a better-functioning, more deeply integrated Department. Secretary Chertoff's first action as Secretary of Homeland Security in 2005 was to initiate a comprehensive review of the Department's operations, policies, and organization, known as the Second Stage Review. This initiative resulted in Department-wide and Congressionally-supported realignments and functional consolidations to improve the Department's capacity to address identified vulnerabilities, threats, and consequences.

In 2008, Secretary Napolitano focused on creating "One DHS" and launched initiatives such as the Bottom-up Review and the Integrated Investment Life Cycle Management pilot to instill further discipline and strengthen strategic planning and program execution by formalizing the development of Department-wide strategic direction, aligning mission needs with operational requirements, and rationalizing Department-wide capabilities.

The DHS *Integrated Strategy* was first published in January 2011, when the Secretary, Deputy Secretary, and Under Secretary for Management decided to leverage the GAO High-Risk List to strengthen management at DHS, and has evolved into a principal framework to integrate management functions and resolve risk.

Secretary Johnson's *Unity of Effort* initiative, launched in 2014, has ensured that DHS invests and operates in a more cohesive manner, through better governance and by strengthening linkages between the Department's planning, programming, budgeting, and execution processes. Better governance began under senior leadership through the formation of the Secretary's Senior Leaders Council, the Deputy Secretary's Management Action Group, and the Joint Requirements Council. Today, enterprise-wide decisions are made through a transparent and collaborative process to drive strategic results.

DHS has achieved success by improving its existing business processes and developing new processes where needed, and the Department remains committed to continuing this trend to achieve success in coming years.

Conclusion

DHS and GAO officials have continued to meet regularly to discuss progress and the path forward to strengthen management. These engagements facilitate a better mutual understanding of GAO and DHS viewpoints and provide a clearer picture of the work that remains. This update leverages information from those discussions and demonstrates the Department's capacity to resolve risk and strengthen its management functions. It further demonstrates the commitment of top leadership, which continues to be critical in achieving and sustaining progress.

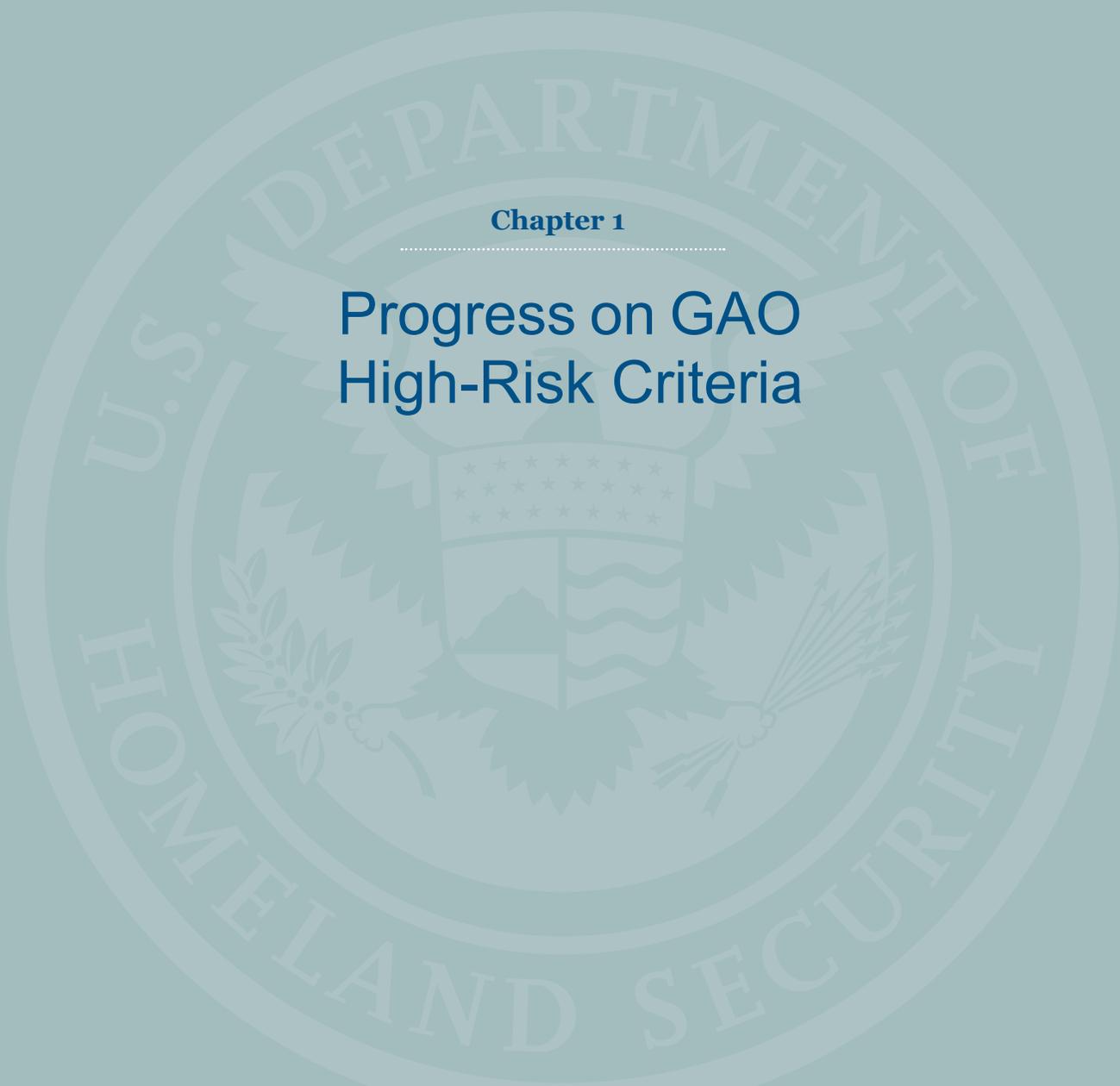
¹⁰ U.S. Senate Committee on Homeland Security and Governmental Affairs, *Nomination Hearing of General John F. Kelly to be Secretary, Department of Homeland Security* (Washington D.C.: January 10, 2017).



This report is the first DHS update leading to the 2019 GAO High-Risk Series. GAO has indicated that fully addressing a number of areas within this engagement will require multi-year efforts.¹¹ In advance of each update to the High-Risk Series, Departmental leaders will seek GAO’s assessment as to whether this engagement, or select areas within it, should remain on the High-Risk List, given the pace and extent of progress and the sustainability of the enhancements that have been realized.

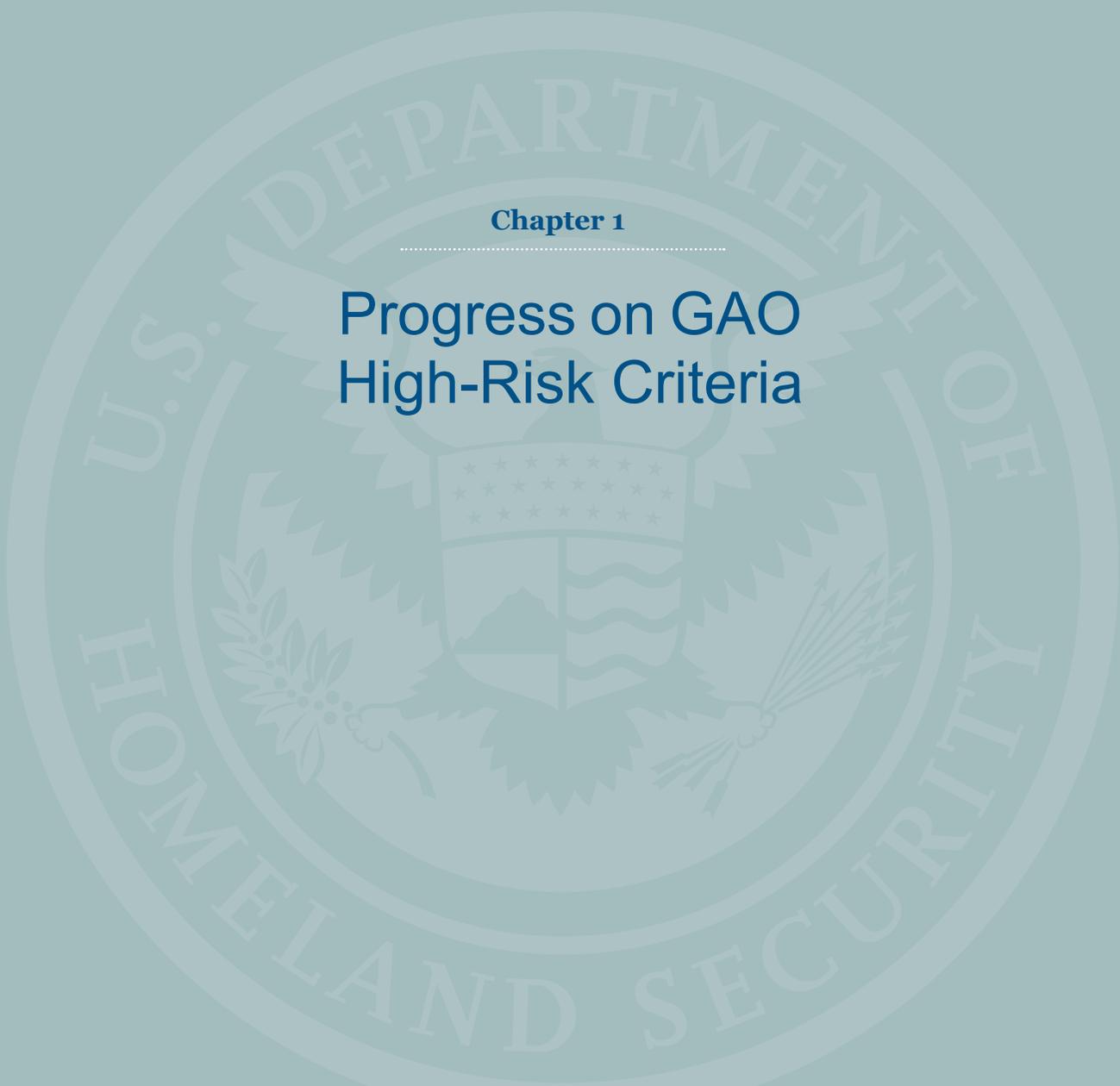
¹¹ GAO, High-Risk Series, page 357.

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Chapter 1

Progress on GAO High-Risk Criteria



Chapter 1

**Progress on GAO
High-Risk Criteria**



I. Introduction

Chapter 1 provides an update on the Department's progress to both sustain and improve upon its eligibility for removal from GAO's high-risk designation. In order to be considered for removal from the High-Risk List, each high-risk area must meet all five GAO criteria for removal:

1. **Leadership Commitment.** Demonstrated strong commitment and top leadership support.
2. **Capacity.** Agency has the capacity (i.e., people and resources) to resolve the risk(s).
3. **Action Plan.** A corrective action plan exists that defines the root cause, solutions, and provides for substantially completing corrective measures, including steps necessary to implement solutions [GAO] has recommended.
4. **Monitoring.** A program has been instituted to monitor and independently validate the effectiveness and sustainability of corrective measures.
5. **Demonstrated Progress.** Ability to demonstrate progress in implementing corrective measures and in resolving the high-risk area.¹

GAO assesses high-risk areas against each criterion, rating them as being either Met, Partially Met, or Not Met. DHS has achieved a Met rating from GAO on Leadership Commitment, Action Plan, and Monitoring (see Figure 1). As a result of GAO increasing DHS's rating for Monitoring in March 2016, the Department is among only four federal entities to have met a majority of the GAO criteria for removal from the High-Risk List.²

The Department's leadership made a strong case in the August 2016 *Integrated Strategy* for an increased rating on the Capacity criterion. While GAO recognized DHS's progress in the 2017 High-Risk Series, GAO determined that additional effort is needed to identify and allocate resources in certain areas to sufficiently demonstrate that DHS has the capacity to achieve and sustain corrective actions and GAO outcomes.³ This focused feedback is appreciated and the Department is committed to working diligently to systematically close the 17 (of 30) GAO outcomes that have yet to receive a Fully Addressed rating.⁴ Chapter 2 contains a more complete discussion of the GAO outcomes, which are specific to DHS, and descriptions for each GAO rating (i.e., Fully Addressed, Mostly Addressed, Partially Addressed, and Initiated) – see page 8.

Figure 2 (page 2) examines the GAO criteria, with examples of actions leading to progress,⁵ as well as DHS's approach to addressing those criteria. GAO has noted that "actions taken under one criterion may be important to meeting other criteria as well."⁶ DHS views the criteria as interdependent variables in a larger system (rather than in isolation), with a reciprocal cause-and-effect relationship existing between input and output actions. For example, the Department's top leadership commitment is the key underpinning that drives strategy, sets priorities, and fosters nimble decision-making. The end result is more effective action planning and monitoring, which enables leaders to allocate the necessary people, structures, and systems to meet mission needs and resolve High-Risk List issues. These results inform planning, monitoring, and decision-making processes.



Figure 1. Ratings on GAO Criteria (GAO-17-317)

¹ GAO, *High-Risk Series: Key Actions to Make Progress Addressing High-Risk Issues*, GAO-16-480R (Washington, D.C.: April 25, 2016), page 3.

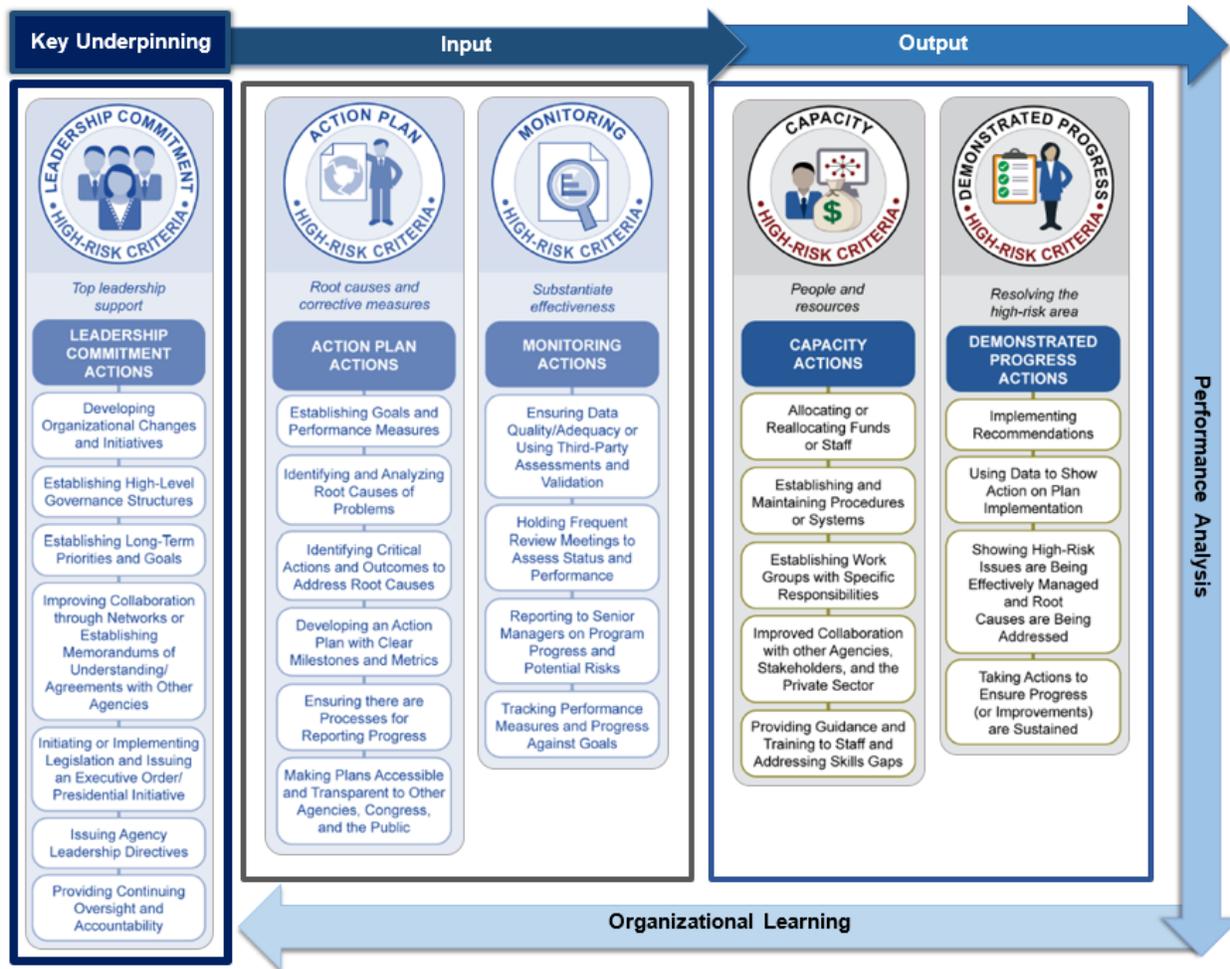
² GAO, *High-Risk Series*, GAO-17-317 (Washington, D.C.: February 15, 2017), page 2.

³ *Ibid*, page 362.

⁴ GAO rated DHS as having Fully Addressed or Mostly Addressed 70% (21 of 30) of GAO outcomes in 2017, as compared to 47% (14 of 30) in 2015. For a summary table of 2017 ratings on GAO outcomes, see GAO, *High Risk Series*, page 366.

⁵ GAO, *Addressing High-Risk Issues*, page 4.

⁶ *Ibid*, page 3.



*Met criteria shaded in BLUE (GAO, February 2017 rating)

Figure 2. Systems View of DHS Strategy to Address GAO's High-Risk Removal Criteria

The remainder of this Chapter will focus on specific actions the Department is taking to both sustain improvement on those criteria that have received a Met rating and improve on the final two criteria, Capacity and Demonstrated Progress, which GAO has rated as Partially Met.

II. Building and Sustaining Progress on "Met" Criteria

The desire to further strengthen the Department's management functions and seek removal from the High-Risk List is shared by Congress, GAO, and Department leaders. Below are examples of DHS actions to sustain and continue progress under each GAO criterion.

1) Leadership Commitment

The Department appreciates GAO's recognition that DHS's leadership is demonstrating exemplary commitment and support for addressing management challenges.⁷ That commitment continues, as the successful reforms instituted under the Unity of Effort initiative – including senior leader forums; an enhanced planning, programming, budgeting, and execution system; a robust Acquisition Review Board; and an effective Joint Requirements Council (JRC), among others – continue to be a priority.

The Acting Under Secretary for Management (AUSM), who is also currently performing the duties of the Deputy Secretary, reinforces the importance of resolving High-Risk List issues through continued engagement in tracking

⁷ GAO, High-Risk Series, pages 354, 356.



and monitoring progress and by making these issues a focal point in the transition process. Department leaders remain committed to meeting regularly with GAO to discuss corrective action plans and progress and to ensure a consistent understanding of the work remaining, a practice that GAO has referred to as a model for senior leadership engagement.⁸

2) *Action Plan*

DHS leaders continue to systematically track, refine, and report on the action plans developed to address each GAO outcome, a process the Department has refined and solidified since 2011. The action plans contained in Chapter 2 of this report are also reinforced by other processes to ensure consistent attention is given and necessary refinements made to High-Risk List issues. For example, the Management Directorate Integrated Priority (IP) framework bolsters efforts to improve and further integrate the Department’s management functions. The IPs are a series of aggressive management initiatives with detailed goals, objectives, and measurable action plans that are informed by High-Risk List issues and support fulfillment of the GAO outcomes (see Appendix C). The IPs are currently being enhanced to further integrate and strengthen management functions.

3) *Monitoring*

The AUSM continues to monitor the corrective action plans that are in place to address High-Risk List issues. Further, the AUSM meets regularly with the Department’s Chief Executive Officers (CXOs)⁹ and other senior leaders to track progress on major priorities, specifically including GAO outcomes, as well as the IPs. Regular senior leadership meetings provide an avenue to assess progress, identify challenges, and institute course corrections if needed. The integration of GAO outcomes with the IP framework is evidence of the level of importance Department leaders place on High-Risk List issues and results in consistent and focused attention on addressing them.

III. Continuing Efforts to Meet “Partially Met” Criteria

DHS leaders remain committed to meeting the final two GAO criteria: Capacity and Demonstrated Progress. Based on feedback from GAO, the Department believes it has made substantial progress toward this goal, but acknowledges that certain areas (e.g., improving employee morale) are significant multi-year undertakings.¹⁰

1) *Capacity*

In order to meet the Capacity criterion, DHS needs to make additional progress identifying and allocating resources in certain areas to sufficiently demonstrate that it has the capacity to achieve and sustain corrective actions and outcomes.¹¹

The Department’s capacity to resolve risk and sustain improvements is evidenced by the structural enhancements to its management and resource allocation functions, as detailed in the August 2016 *Integrated Strategy*, as well as the substantial progress made in addressing GAO outcomes. DHS will continue to take actions to enhance its capacity to resolve management risks in order to achieve and sustain progress on all 30 GAO outcomes. Progress and work remaining within DHS management functions is described below.

- **Financial Management (FM).** DHS has addressed financial management capacity objectives through enterprise planning, resourcing, and milestone-driven monitoring. The Department achieved its fourth unmodified audit opinion on the 2016 DHS financial statements, demonstrating its continued accountability to the American public. Further, the Department’s sustainment of a “clean” financial statement opinion for four years provides continued evidence that DHS has implemented internal controls over financial reporting sufficient to ensure its year-end financial reporting is not materially misstated.

The internal controls over financial reporting (ICOFR) risk-based enterprise approach and remediation strategy, led by the DHS Chief Financial Officer (CFO), is resourced to continue to make progress and hit the key remediation milestones, fully demonstrating capacity. DHS prioritizes its resource allocation strategy to those remediation efforts that will yield the highest impact. Components fulfill requirements

⁸ Ibid, page 356.

⁹ E.g.: Chief Financial Officer, Chief Information Officer, Chief Human Capital Officer.

¹⁰ GAO, *High-Risk Series*, page 357.

¹¹ Ibid, page 362.



using appropriate resourcing strategies, which may include contractor resources, as well as cross-Component detail assignments to leverage specialized skills and expertise, thus gaining efficiency in fixing root causes. Through monthly DHS CFO-led meetings, leaders discuss issues related to resourcing and this information is used by the DHS CFO to reallocate among Components or provide additional resources as needed.

DHS will deploy this strategy to remediate the remaining three internal control material weaknesses by FY 2019, leveraging the incremental approach successfully employed to completely remediate the Budgetary Accounting deficiencies in 2016. This proven approach will allow DHS to achieve an ICOFR unmodified opinion by FY 2019 without relying on the completion of its financial systems modernization (FSM) efforts.

With regard to FSM, DHS has completed a consolidated FSM program lifecycle cost estimate, including cost estimates for the Federal Emergency Management Agency (FEMA) and U.S. Immigration and Customs Enforcement (ICE) modernization projects, to better understand the end-to-end resource requirements, as suggested by GAO.¹² Action plans for these specific projects, which include completion of cost estimates, can be found on pages 23 (FEMA) and 26 (ICE) of this report. Additionally, in August of 2016, an Independent Verification and Validation (IV&V) team recommended a program office staffing model for oversight, including the roles and structure for an effective program management office that will drive FSM efforts. In keeping with that recommendation, the Joint Program Management Office (JPMO) structure is being adopted. The structure combines the disciplines required for implementation management while cultivating centers of excellence. IV&V will continuously review and assess the JPMO implementation and provide recommendations for further improvements.

- **Human Capital Management (HCM).** GAO has recognized DHS's progress in addressing the seven GAO outcomes relating to HCM, for which six are rated Fully Addressed or Mostly Addressed. However, GAO also noted the considerable work remaining in one outcome: further improving employee morale as measured by the Federal Employee Viewpoint Survey (FEVS).¹³ In 2016, nearly 47,000 DHS employees responded to the survey, contributing to a 3% increase in FEVS scores compared to 2015, and a participation rate that exceeded the government-wide average by 4%.¹⁴ The improvement in DHS's FEVS employee engagement index score was the largest increase of any agency with more than 75,000 employees.¹⁵

DHS leaders are committed to continuing this positive trend and narrowing the gap between DHS's scores and the government-wide average.¹⁶ Secretary Kelly has already held numerous town hall meetings across the Department since being sworn in on January 20, 2017. The DHS Employee Engagement Steering Committee (EESC), formed in 2015, continues its work, including updating Component-specific action plans, which are informed by Component-driven root cause analyses. The EESC is chaired by the AUSM, with representation from all DHS Components. The aforementioned IPs further identified employee engagement as a major leadership priority.

To act on the engagement priority and to better institutionalize and sustain DHS's commitment to improving employee engagement, the Strategic Learning, Development & Engagement Office was created in 2016, and is led by a senior-executive level Chief Learning and Engagement Officer. While many federal agencies have Chief Learning Officers, DHS's approach is unique since it combines the direction of learning and engagement efforts into one office, thereby maximizing the impact of these programs. The DHS Human Capital Strategic Plan for 2015-2019 further reinforces a commitment to employee engagement, identifying it as one of the four Plan goals to foster a Department culture of excellence through inclusion and engagement. Every year, DHS human capital leaders in the DHS Office of the Chief Human Capital

¹² Ibid, page 363.

¹³ Ibid, pages 369-370. The FEVS uses the Employee Engagement Index (EEI) as a measure of the conditions conducive to engagement, that is the engagement potential of an agency's work environment. The index is made up of three sub-factors: Leaders Lead, Supervisors, and Intrinsic Work Experience.

¹⁴ U.S. Office of Personnel Management, 2016 *Federal Employee Viewpoint Survey: Governmentwide Management Report* (Washington, D.C.: 2016), pages 10, 45. https://www.fedview.opm.gov/2016FILES/2016_FEVS_Gwide_Final_Report.pdf (accessed March 28, 2017).

¹⁵ Ibid, page 10.

¹⁶ In 2016, DHS's overall FEVS score was 56%; the government-wide average was 65%. See OPM, "2016 Employee Engagement Index Scores," 2016, <https://unlocktalent.gov/employee-engagement> (accessed March 31, 2017).



Officer and Components hold a strategic working session to assess opportunities and challenges affecting the workforce and to develop actions to address the Human Capital Strategic Plan goals. These efforts produce an annual operational plan with actions and success indicators to be accomplished during the next fiscal year. The operational plan identifies the resources to accomplish the actions and progress is tracked on a monthly basis by the human capital community.

- **Information Technology Management (ITM).** GAO rated DHS as Fully Addressed or Mostly Addressed on all six outcomes in ITM. In the area of Capacity, GAO has expressed interest in certain aspects of the FY 2015 – 2018 DHS IT Strategic Plan implementation. In that plan, DHS introduced a shift in the IT paradigm from acquiring assets to acting as a service broker. GAO noted that, while an assessment is underway to determine the competencies required to facilitate that shift, the Department has not yet identified what skills gaps exist.¹⁷ The DHS Office of the Chief Information Officer (OCIO) is conducting this analysis, which it expects to complete in FY 2017 – see GAO Outcome ITM #4 for additional information (page 43).

DHS is continuing efforts to have its material weakness in financial systems security downgraded to a significant deficiency by FY 2019. In federal government-wide cybersecurity, DHS sets the standard, with the Office of Management and Budget citing as a best practice the Department's Cyber Maturity Model, used to prioritize funding requests for the tools and support to address DHS's most critical internal vulnerabilities and technology gaps.

The Department has demonstrated significant progress in IT acquisition by completing 124 of 131 of *Federal Information Technology Acquisition Reform Act* implementation actions and establishing pilots to identify and support improvements in the acquisition process and program delivery through Agile practices. The goal is to increase customer value; reduce the time-to-market, cost, and risk; and increase accountability and oversight. Early results include:

- Reducing the average artifact size by 31%;
 - Shortening the document draft to approval cycle time by 34%;
 - Decreasing the Acquisition Lifecycle Framework cycle time by 50% (from 24 months to 12 months or less); and
 - Improving survey responses of Agile pilot members by 72%, indicating their shift toward becoming promoters of the Agile Integrated Project Team.
- **Acquisition Program Management (APM).** Over the past several years, the Department has instituted major reforms to improve acquisition oversight and program management. These reforms led to GAO improving DHS's rating to Fully Addressed for the outcomes related to the timely approval of acquisition documentation for major programs and Component-level acquisition capabilities.

In order to address GAO's feedback and recommendations for improvement, DHS needs to continue effective operation of the JRC; fully implement its program staffing assessment methodology; and continue to leverage program health assessments to report and drive improvements on major acquisition programs' cost, schedule, and capability goals. DHS and GAO recognize that it will take time to demonstrate the extent to which these and other enhancements are improving program performance.¹⁸

Linked closely with its capacity to resolve risk in acquisition, DHS worked with GAO to obtain feedback on its emerging staffing gap methodology to confirm that critical staffing gaps in major programs are identified and being addressed. This tool will allow for regular staffing reviews, which should contribute greatly to improved program performance – see GAO Outcome APM #4 for additional information (page 58).

DHS is also continuing to mature Component capabilities and enhance the operational requirements process. In response to GAO's recommendation,¹⁹ the Deputy's Management Action Group directed DHS Components to: (1) designate Component Requirements Executives, and (2) develop and improve requirements expertise and increase capacity to needed levels.

¹⁷ GAO, *High-Risk Series*, page 367-368.

¹⁸ *Ibid*, page 367.

¹⁹ GAO, *Joint Requirements Council's Initial Approach Is Generally Sound and It Is Developing a Process to Inform Investment Priorities*, GAO-17-171 (Washington, D.C.: October 24, 2016).



The Department acknowledges GAO's concerns and will continue to fortify its efforts to identify the people and resources necessary in certain areas to solidify progress on GAO outcomes; work to mitigate shortfalls and prioritize initiatives; and communicate critical resource gaps requiring resolution to senior DHS leadership.

2) Demonstrated Progress

GAO has recognized the important progress DHS continues to make in strengthening its management functions, but has also noted that additional, in some cases long-term, efforts are needed to demonstrate sustainable and measurable progress.²⁰

DHS continues to implement GAO's recommendations (e.g., appointed DHS OCIO as a principal member of the JRC);²¹ monitor *Integrated Strategy* and IP performance; independently verify progress and make midcourse adjustments when needed; and ensure progress is sustained, with the overarching goal of being removed from GAO's High-Risk List by reaching a condition of even stronger, more efficient and effective management at DHS.

Figure 3 illustrates DHS's steady improvement in addressing the 30 GAO outcomes. Since the publication of GAO's 2013 High-Risk Series update,²² DHS has more than doubled the number of GAO outcomes rated Mostly Addressed or Fully Addressed by GAO from 8 to 21, which has resulted in a reduction by over 50 % (23 to 9) of the number of outcomes rated in the two lowest categories (Initiated or Partially Addressed). Between 2015 and 2017 alone, the Department achieved improved ratings on 10, or 30%, of all outcomes (See Appendix A).

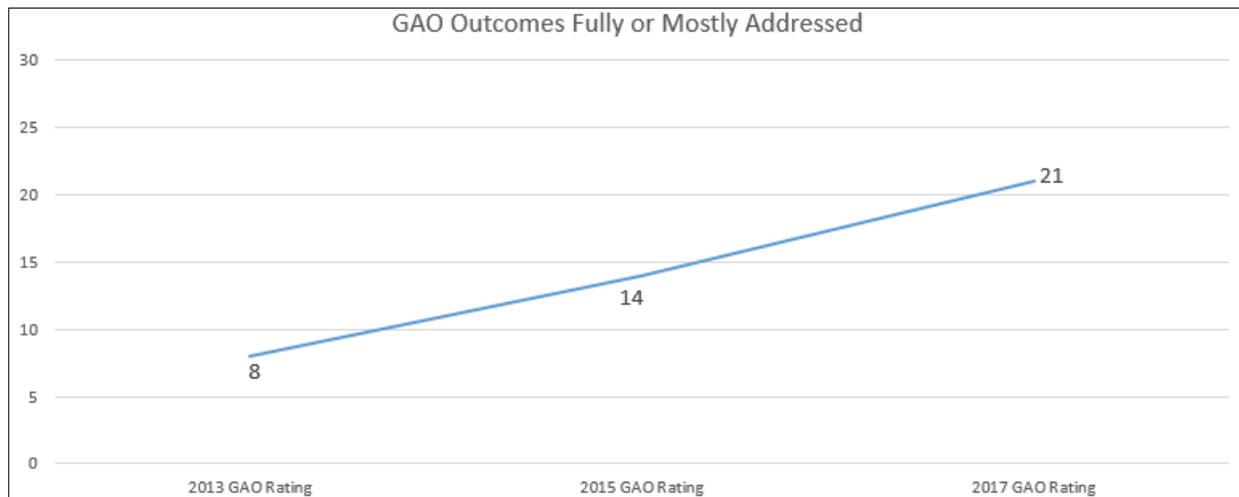


Figure 3. GAO Outcomes Rated Fully or Mostly Addressed – 2013, 2015, 2017

While the pace of progress varies across management functions, DHS has steadily improved ratings on GAO outcomes since 2013 and has never experienced a rating decrease (see Figure 4).

²⁰ GAO, *High-Risk Series*, page 365.

²¹ DHS, Response Letter to Congress and the Director of OMB on GAO-17-171 (Washington, D.C.: December 30, 2016), page 2.

²² GAO, *High-Risk Series*, GAO-13-283 (Washington, D.C.: February 14, 2013), page 166.

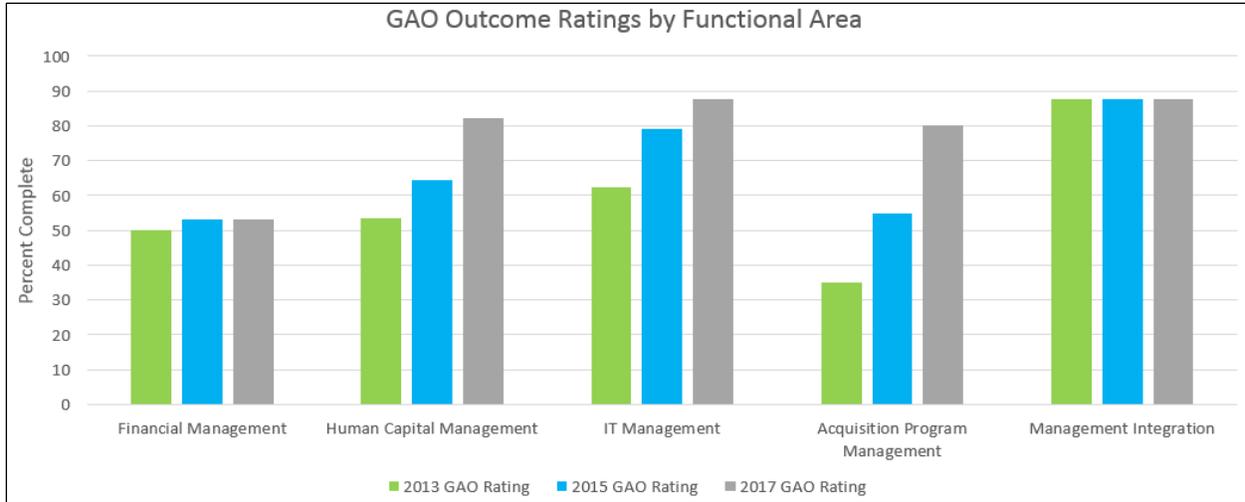
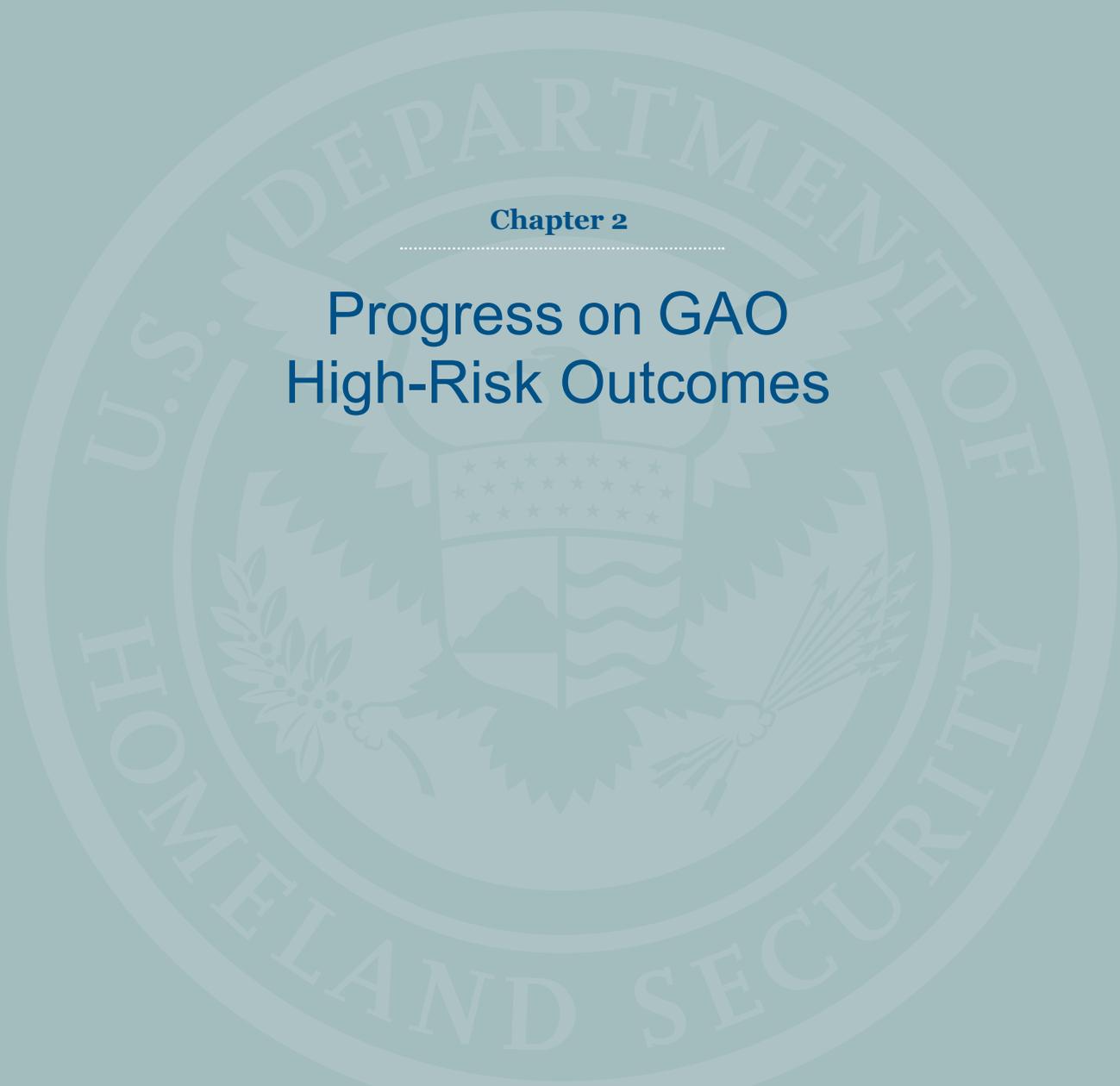


Figure 4. GAO Outcome Ratings by Functional Area –2013, 2015, and 2017²³

The progress described above is a reflection of the commitment of Departmental leaders and the collaborative partnership between DHS and GAO. DHS is committed to continuing this upward trajectory by demonstrating sustainable progress integrating management functions across the Department and fully addressing the remaining GAO outcomes. The forthcoming chapter includes corrective action plans that outline the timeline and steps associated with DHS’s approach for addressing each of the 17 GAO outcomes that are not yet Fully Addressed.

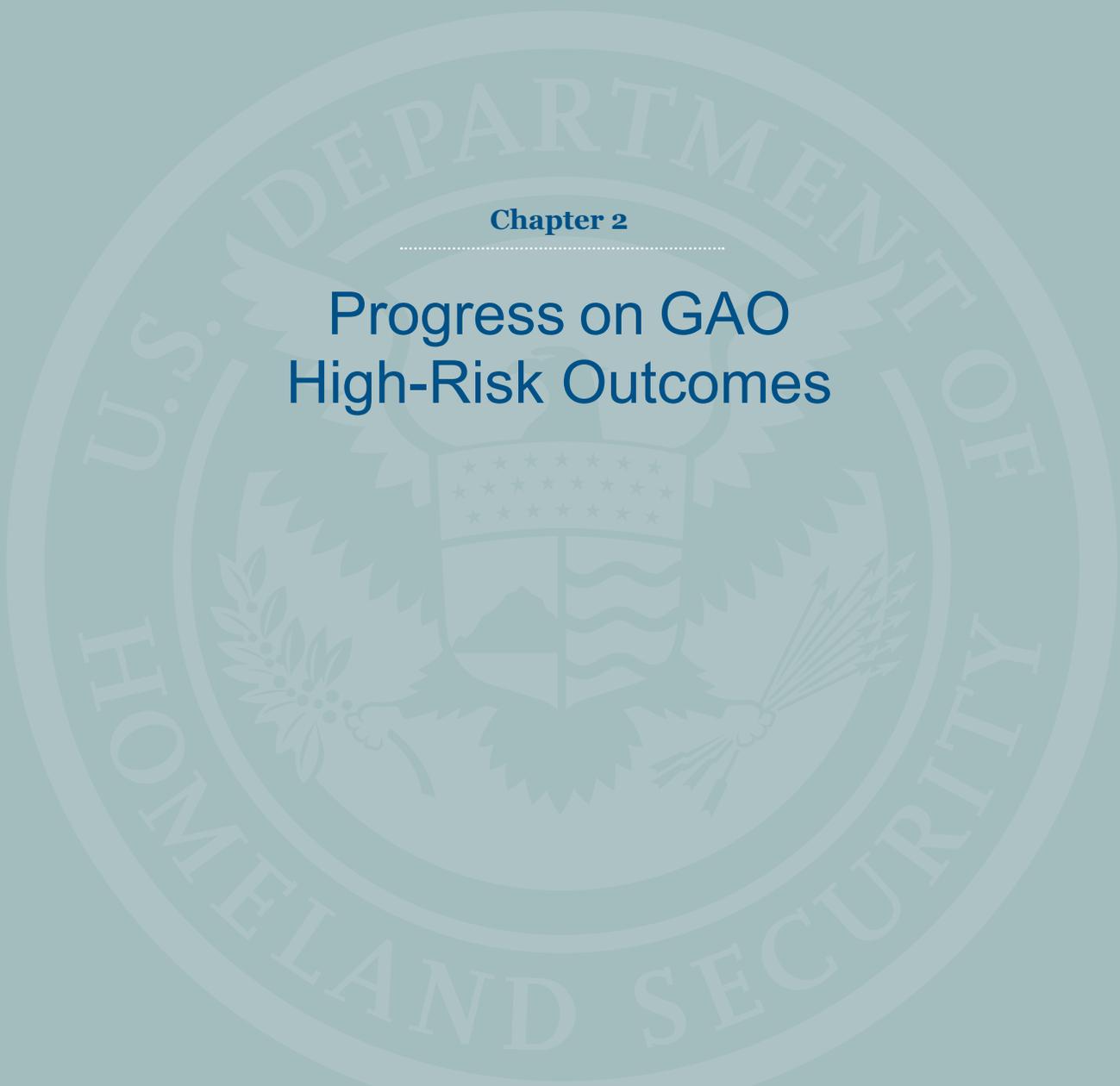
²³ Percentages indicate the progress toward all ratings being fully addressed. Outcome scores were calculated by assigning each rating a numerical value (Fully Addressed = 4, Mostly Addressed = 3, Partially Addressed = 2, Initiated = 1). The values for each functional area were added together and then divided by the maximum possible value for each functional area (i.e., the value if all outcomes for that functional area were rated “Fully Addressed”— or the 100% score.)

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Chapter 2

Progress on GAO High-Risk Outcomes



Chapter 2

**Progress on GAO
High-Risk Outcomes**



Progress on GAO Outcomes

In order to transform and strengthen the Department’s management functions and be eligible for removal from the High-Risk List, GAO outlined 30 required end-states for DHS to remediate. These end states are also known as “outcomes,” and cover the following four functional management areas: acquisition, information technology (IT), financial, and human capital management. To assess the Department’s progress toward achieving these outcomes, GAO rates DHS’s progress in its biennial *High-Risk Series*, using the scale below:

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

Additionally, subsequent to the Department’s biannual update to its *Integrated Strategy*, GAO meets with DHS officials to provide feedback on progress; identify areas where additional work remains; and discuss preliminary outcome ratings. Final ratings are subject to approval by GAO senior leadership. Since 2013, DHS has dramatically improved its progress as measured by those outcomes receiving a Fully Addressed or Mostly Addressed rating. For example, in 2017, GAO rated DHS as Fully Addressed or Mostly Addressed for 70% (21 of 30) of the outcomes, compared to 47% (14 of 30) in 2015. This positive trend in just two years is a clear indicator that the Department has the capability and leadership commitment to improve ratings for the remaining outcomes.

Table 1 provides a functional-level summary of 2017 GAO outcome ratings and the changes – all positive – from 2015.² See Appendix A for a comparative summary of GAO’s 2015 and 2017 ratings and Appendix B for complete descriptions of all 30 GAO outcomes.

Functional Area	Total GAO Outcomes	Fully Addressed	Mostly Addressed	Partially Addressed	Initiated
Financial Management	8	2	0	3	3
Human Capital Management	7	3	3	1	0
Information Technology Management	6	3	3	0	0
Acquisition Management	5	2	2	1	0
Management Integration	4	3	0	1	0
Total as of 2017 GAO High Risk Series	30	13	8	6	3
Change from 2015 GAO High-Risk Series		+ 4	+ 3	- 6	- 1

Table 1. Summary of Outcome Ratings by Functional Area

The Department first issued the *Integrated Strategy* in 2011 and has maintained a practice of updating GAO twice yearly.³ As in years past, the March 2017 report represents the first of two updates in 2017, and contains corrective action plans only for those GAO outcomes that have yet to achieve a Fully Addressed rating (see Table 2). DHS’s second 2017 *Integrated Strategy* will provide updates on all 30 action plans, including an emphasis on efforts to sustain progress on those 13 outcomes already deemed by GAO to be Fully Addressed (see Table 3).

¹ GAO, *High-Risk Series*, GAO-17-317 (Washington, D.C.: February 15, 2017), page 366.

² *Ibid*, page 366.

³ Congress recently codified this practice by requiring DHS to report to GAO every six months. *National Defense Authorization Act for Fiscal Year 2017*, Public Law 114-328 § 1903(b) (codified at 6 U.S.C. § 341(a)(11)), page 674.



	Functional Area	GAO Outcome	2017 GAO Ratings
Outcomes Yet to Reach Fully Addressed <i>(included in this report)</i>	Financial Management (FM)		
	FM 2	Clean opinion on internal controls	Partially Addressed
	FM 4	Clean opinions for two years on internal controls	Initiated
	FM 5	Compliance with FFMIA	Partially Addressed
	FM 6	USCG Financial Systems Modernization	Partially Addressed
	FM 7	FEMA Financial Systems Modernization	Initiated
	FM 8	ICE Financial Systems Modernization	Initiated
	Human Capital Management (HCM)		
	HCM 4	Base human capital decisions on competencies and performance	Mostly Addressed
	HCM 5	Seek employee input to strengthen human capital approaches	Mostly Addressed
	HCM 6	Improve Federal Employee Viewpoint Survey Scores	Partially Addressed
	HCM 7	Assess and improve training, education & development programs	Mostly Addressed
	Information Technology Management (ITM)		
	ITM 4	Implement IT Human Capital Plan	Mostly Addressed
	ITM 5	Adhere to IT Program Baselines	Mostly Addressed
	ITM 6	Enhance IT Security	Mostly Addressed
	Acquisition Program Management (APM)		
	APM 3	Establish and effectively operate the Joint Requirements Council to review and validate requirements for acquisition programs	Mostly Addressed
	APM 4	Assess acquisition program staffing	Mostly Addressed
	APM 5	Establish oversight mechanisms to validate that acquisition programs are achieving goals and comply with Department policies	Partially Addressed
	Management Integration (MI)		
	MI 1	Implement actions / outcomes in each LOB	Partially Addressed

Table 2. GAO Outcomes Included in this Integrated Strategy

Fully Addressed GAO Outcomes <i>(not included in this report)</i>	FM 1	Clean opinion on all financial statements	Fully Addressed
	FM 3	Clean opinions for two years	Fully Addressed
	HCM 1	Implement Human Capital Plan	Fully Addressed
	HCM 2	Link workforce planning to other Department planning efforts	Fully Addressed
	HCM 3	Enhance recruiting to meet current and long-term needs	Fully Addressed
	ITM 1	Achieve EAMFF Stage 4	Fully Addressed
	ITM 2	Achieve ITIMF Stage 3	Fully Addressed
	ITM 3	Achieve CMMI Level 2	Fully Addressed
	APM 1	Timely validate required acquisition documents	Fully Addressed
	APM 2	Improve Component acquisition capabilities	Fully Addressed
	MI 2	Revise MI strategy to address previous recommendations	Fully Addressed
	MI 3	Establish performance measures to assess ongoing progress	Fully Addressed
	MI 4	Promote Department-wide accountability through performance management system	Fully Addressed

Table 3. Fully Addressed GAO Outcomes to be Included in the Next Integrated Strategy



Financial Management Outcome #2

Outcome Lead: Jeffrey Bobich

Outcome Executive: Stacy Marcott

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

GAO 2017 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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ACCOMPLISHMENTS

GAO rated this Outcome Partially Addressed. DHS has addressed capacity requirements through enterprise planning, resourcing, and milestone-driven monitoring. The Department achieved its fourth unmodified audit opinion on the 2016 DHS financial statements and related footnotes, demonstrating its accountability to the American public. Further, the Department’s sustainment of a “clean” financial statement opinion for four years provides continued evidence that DHS has implemented internal controls over financial reporting (ICOFR) sufficient to ensure its year-end financial reporting is not materially misstated.

In accordance with the *Department of Homeland Security Financial Accountability Act of 2004*, for the fourth year, DHS has provided qualified assurance on ICOFR and in 2016, fully remediated the Budgetary Accounting internal control weakness. With three remaining material weaknesses in internal controls – in Property, Financial Reporting, and Information Technology – the Department’s Chief Financial Officer (CFO) is executing a multi-year plan to achieve an unmodified “clean” ICOFR opinion by FY 2019. In order to meet this timeline and further strengthen ongoing financial management, DHS has accomplished the following:

- Built clearly defined, repeatable business processes, policies, and procedures that will sustain progress in resolving deficiencies and reducing their severity.
- Implemented and measuring progress against an enterprise wide, risk-based strategy that assesses the overarching control environment in order to prevent control failures as well as detect and fix potential failures early.
- Implemented the Internal Control Maturity Model to objectively measure each Component’s progress on obtaining a clean ICOFR opinion.
- Updated the FY 2017 Department-wide internal control assessment plan and corresponding assessment procedures using a risk-based approach considering qualitative and quantitative measures. Components have begun executing their assessments following this plan.
- Gained commitment from CFOs and Chief Information Officers (CIOs) of those Components that contribute to the Department’s outstanding material weaknesses, through the DHS CFO and CIO Councils, to achieving annual Department-wide audit and ICOFR performance goals. These commitments are required as an element of each Component’s CFO and CIO performance plans.
- Required Components and other DHS organizations (as applicable) to develop/update their Mission Action Plans (MAPs) for remediation activities, which are milestone driven, prioritized actions. These MAPs were thoroughly reviewed by independent Risk Management & Assurance experts, who provided feedback to ensure actions would achieve the necessary remediation objectives.
- Implemented continuous monitoring of progress against the MAPs, identifying critical milestones, addressing audit risks, and reviewing mitigation strategies. The Office of the Chief Financial Officer (OCFO) holds meetings with Component representatives on a regular basis dependent upon the level of identified risk for their organization. Sustainment of controls is subsequently validated by ICOFR assessment results submitted by Components to the OCFO.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Obtain an unmodified (i.e., clean) opinion on internal control over financial reporting for FY 2019.	November 2016	November 2019	Targeting a Fully Addressed rating. The independent auditor will issue its report for FY 2019 in November 2019.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, August 2019		Components review the results of testing for the second and third quarters to continue to assess their progress, as part of routine monitoring.
DHS CFO to review and validate Component completed remediation steps.	March, June, August 2019		DHS CFO incrementally reviews and validates remediation steps completed by Components
DHS CFO will work with Components to assess FY 2017 audit risks and develop corrective actions.	December 2018		
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2018		Targeting a Mostly Addressed rating. DHS expects to remediate at least one material weakness in the audit report for FY 2018. DHS has developed a comprehensive strategy and approach that will steadily work toward remediating all outstanding material weaknesses. DHS proposes this outcome be considered Mostly Addressed when the Financial Reporting material weakness is reduced to a significant deficiency. In FY 2018, DHS projects that it will remediate at least this one material weakness.
Components ensure adequate resourcing by assessing resource requirements based on the developed risk-based approach and Component identified emerging risks.	N/A	September 2018	Adding milestones to ensure Component resourcing is addressed appropriately.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, August 2018		Components review the results of testing for the second and third quarters to continue to assess their progress, as part of routine monitoring.
DHS CFO to review and validate remediation steps completed by Components.	March, June, August 2017		DHS CFO incrementally reviews and validates remediation steps completed by Components.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
DHS CFO will work with Components to assess FY 2017 audit risks and develop corrective actions.	December 2017		
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2017		In FY 2017, DHS projects that it will remediate at least one material weakness. DHS has developed a comprehensive strategy and approach that will steadily work toward remediating all outstanding material weaknesses.
Components ensure adequate resourcing by assessing resource requirements based on the developed risk-based approach and Component identified emerging risks.	N/A	September 2017	Adding milestones to ensure Component resourcing is addressed appropriately.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March and June 2017	March, June, August 2017	Components review the results of testing for the second and third quarters to continue to assess their progress, as part of routine monitoring.
DHS CFO to review and validate remediation steps completed by Components.	March 2017	March, June, August 2017	DHS CFO incrementally reviews and validates remediation steps completed by Components.
DHS CFO will work with Components to assess FY 2017 audit risks and develop corrective actions.	December 2016	December 2016	Completed. Identified critical milestones. Tracking critical milestones on a monthly basis with Component CIOs/CFOs.
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2016	November 2016	Completed. In FY 2016, DHS remediated one significant deficiency. DHS has developed a comprehensive strategy and approach that will steadily work toward remediating all outstanding material weaknesses.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March and June 2016	July and September 2016	Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.
DHS CFO to review and validate remediation steps completed by Components.	March 2016	March 2016	Completed.
DHS CFO to engage with Component CFOs to review the Components' status of addressing audit findings, risks and mitigation strategies.	February – October 2016	February – October 2016	Completed.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
DHS CFO will work with Components to assess FY 2015 audit risks and develop corrective actions.	December 2015	December 2015	Completed.
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2015	November 2015	In FY 2015, DHS was able to reduce one of four material weaknesses (reducing the number of materials weaknesses to three).
DHS CFO to engage with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	February 2015– October 2015	February 2015– October 2015	Completed.



Financial Management Outcome #4

Outcome Lead: Jeffrey Bobich

Outcome Executive: Stacy Marcott

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

GAO 2017 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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ACCOMPLISHMENTS

GAO rated this Outcome Initiated. The Department has addressed capacity requirements through enterprise planning, resourcing, and milestone driven monitoring. DHS achieved its fourth unmodified audit opinion on the 2016 DHS financial statements and related footnotes, demonstrating its accountability to the American public. Further the Department’s sustainment of a “clean” financial statement opinion for four years provides continued evidence that DHS has implemented internal controls over financial reporting sufficient to ensure our year-end financial reporting is not materially misstated.

In accordance with the *Department of Homeland Security Financial Accountability Act of 2004*, for the fourth year, DHS has provided qualified assurance on internal control over financial reporting (ICOFR), and, in 2016, remediated the Budgetary Accounting internal control weakness. With three remaining material weaknesses in internal controls – Property, Financial Reporting, and Information Technology – the Department’s Chief Financial Officer (CFO) is executing a multi-year plan to achieve an unmodified “clean” ICOFR opinion by FY 2019. In order to meet this timeline and further strengthen ongoing financial management, DHS has accomplished the following:

- Built clearly defined, repeatable business processes, policies, and procedures that will sustain progress in resolving deficiencies and reducing their severity.
- Implemented and measuring progress against a top-down, risk-based strategy that will assess the overarching control environment in order to prevent control failures as well as detect and fix potential failures early.
- Implemented the Internal Control Maturity Model (ICMM) to objectively measure each Component’s progress on obtaining a clean ICOFR opinion.
- Updated the FY 2017 Department-wide internal control assessment plan and the corresponding assessment procedures using a risk-based approach considering qualitative and quantitative measures. Components have begun executing their assessments following this plan.
- Gained commitment from CFOs and Chief Information Officers (CIOs) of those Components that contribute to the Department’s outstanding material weaknesses, through the DHS CFO and CIO Councils, to achieving annual Department-wide audit and ICOFR performance goals. These commitments are required as an element of each Component’s CFO and CIO performance plans.
- Implemented continuous monitoring of progress against the Mission Action Plans, identifying critical milestones, addressing audit risks, and reviewing mitigation strategies. The Office of the Chief Financial Officer (OCFO) holds meetings with Component representatives on a regular basis dependent upon the level of identified risk for their organization. Sustainment of controls is subsequently validated by positive ICOFR assessment results submitted by Components to the OCFO.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Sustain an unmodified (i.e., clean) opinion on internal control over financial reporting for two consecutive years (i.e., FY 2019 – FY 2020).	November 2017	November 2020	Targeting a Fully Addressed rating. The independent auditor will issue its report for FY 2020 in November 2020.
Obtain an unqualified (i.e., clean) opinion on internal control over financial reporting for FY 2019.	November 2016	November 2019	Targeting a Mostly Addressed rating.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, August 2019		Components review the results of testing for the second and third quarters to continue to assess their progress, as part of routine monitoring.
DHS CFO to oversee and review A-123 results.	March, June, August 2019		CFO incrementally reviews Component A-123 assessment results.
DHS CFO will work with Components to prioritize FY 2019 scope to continue routine monitoring.	October 2018		
Components ensure adequate resourcing by assessing resource requirements based on the developed risk-based approach and Component identified emerging risks.	N/A	September 2018	Adding milestones to ensure Component resourcing is addressed appropriately.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, August 2018		Components review the results of testing for the second and third quarters to continue to assess their progress, as part of routine monitoring.
DHS CFO to oversee and review A-123 results.	March, June, August 2018		DHS CFO incrementally reviews Component A-123 assessment results.
DHS CFO will work with Components to prioritize FY 2018 scope to continue routine monitoring.	October 2017		
Components ensure adequate resourcing by assessing resource requirements based on the developed risk-based approach and Component identified emerging risks.	N/A	September 2017	Adding milestones to ensure Component resourcing is addressed appropriately.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, August 2017		Components review the results of testing for the second and third quarters to continue to assess their progress, as part of routine monitoring.
DHS CFO to oversee and review A-123 results.	March, June, August 2017		DHS CFO incrementally reviews Component A-123 assessment results.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
DHS CFO will work with Components to prioritize FY 2017 scope to continue routine monitoring.	October 2016		Completed.
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2016	November 2018	Targeting a Partially Addressed rating. DHS proposes this Outcome be considered Partially Addressed when the Financial Reporting material weakness is reduced to a significant deficiency.
DHS CFO to review and validate Component completed remediation steps.	March 2016	July and September 2016	Completed.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March and June 2016	March 2016	Completed.
DHS CFO will work with Components to assess FY 2015 audit risks and develop corrective actions.	December 2015	December 2015	Completed.
Demonstrate measurable progress by continuing to reduce weaknesses in internal control and business processes.	November 2015	November 2015	In FY 2015, DHS was able to reduce one of four material weaknesses.
DHS CFO to engage with Component CFOs to review their status toward addressing audit findings, risks, and mitigation strategies.	October 2015 October 2016	October 2015 October 2016	Completed.



Financial Management Outcome #5

Outcome Lead: Jeffrey Bobich

Outcome Executive: Stacy Marcott

GAO Outcome: Achieve substantial compliance with the *Federal Financial Management Improvement Act of 1996* (FFMIA), as reported annually by its independent auditors in accordance with the Act.⁴

GAO 2017 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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ACCOMPLISHMENTS

GAO rated this Outcome Partially Addressed. The FY 2016 Independent Auditor’s Report noted that DHS has progressed toward compliance with FFMIA and remediated some of the conditions identified in the prior year. DHS monitors and assesses Component financial systems modernization initiatives for compliance with FFMIA Section 803(a) requirements for its core financial management systems. In addressing compliance, DHS follows the Office of Management and Budget (OMB) Compliance Framework.⁵ The DHS Chief Financial Officer (CFO) ensures procedures are in place to provide guidance that summary adjustments posted in financial systems are traceable to transaction sources, and ensures Components accurately report instances of non-conformance to generally accepted accounting principles. In order to further strengthen management, DHS is conducting the following activities:

- Requiring Components to document necessary actions to remediate information technology (IT) security control weaknesses in their corrective action plans. An independent auditor reviews Component compliance with FFMIA annually.
- Continuing remediation efforts to downgrade both the IT and Financial Reporting material weaknesses to a significant deficiency by 2019, in order to meet OMB Circular A-123’s requirement for complying with FFMIA.
- Assessing the Department’s FFMIA compliance utilizing the compliance framework as outlined in OMB Circular A-123. DHS plans to be FFMIA compliant by 2019, as the Department expects to remediate both the IT and Financial Reporting material weaknesses by then, as well as achieve compliance with the *Federal Information Security Modernization Act of 2014*.⁶

PLAN TO FULLY ADDRESS OUTCOME

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Substantially comply with the requirements of FFMIA as reported by the auditors.	November 2016	November 2019	Targeting a Fully Addressed rating. Based on OMB’s updates to Circular A-123, DHS complies with FFMIA by downgrading the material weakness in IT.
Assess the Department’s FFMIA compliance based on the results of DHS-wide assessment.	November 2019		OCFO is conducting the DHS-wide assessment differently than in past years, and has been able to push out the schedule.

⁴ *Federal Financial Management Improvement Act (FFMIA)*, Congress Public Law No. 104-208, 104th, September 30, 1996.

⁵ Office of Management and Budget, *Management’s Responsibility for Internal Control*, OMB Circular A-123 (Washington, D.C.: December 21, 2004), Appendix D, Compliance with the Federal Financial Management Improvement Act of 1996.

⁶ *Federal Information Security Modernization Act of 2014*, Public Law No. 113-283, 113th Congress, December 18, 2014.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, August 2019		Components review the results of testing for the second and third quarters to continue to assess their progress, as part of routine monitoring.
Conduct quarterly risk assessments and incorporate results into Component risk management plans through recurring quarterly meetings.	December 2018, April and July 2019		Risk assessment meetings track progress being made on areas needing most improvement, or areas which would significantly impact ability to reduce weaknesses in internal control and business processes.
DHS CFO to engage with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	February – December 2019		Monthly action.
The Independent Auditor's Report notes further improvement in Component FFMI compliance and indicates a reduction in the number of Components contributing to the IT and Financial Reporting condition.	November 2016	November 2018	Targeting a Mostly Addressed rating. FY 2016 Independent Auditor's Report noted that DHS has progressed toward compliance with FFMI and remediated some of the conditions identified in the prior year. The Financial Reporting material weakness is reduced to a significant deficiency.
Assess the Department's FFMI compliance based on the results of DHS-wide assessment.	November 2018		OCFO is conducting the DHS-wide assessment differently than in past years, and has been able to push out the schedule.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, August 2018		Components review the results of testing for the second and third quarters to continue to assess their progress, as part of routine monitoring.
Conduct quarterly risk assessments and incorporate results into Component risk management plans through recurring quarterly meetings.	December 2017, April and July 2018		Risk assessment meetings track progress being made on areas needing most improvement, or areas, which would significantly impact ability to reduce weaknesses in internal control and business processes.
DHS CFO to engage with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	February – December 2018		Monthly action.
Assess the Department's FFMI compliance based on the results of DHS-wide assessment	November 2017		OCFO is conducting the DHS-wide assessment differently than in past years, and has been able to push out the schedule.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	March, June, August 2017		Components review the results of testing for the second and third quarters to continue to assess their progress, as part of routine monitoring.
Conduct quarterly risk assessments and incorporate results into Component risk management plans through recurring quarterly meetings.	December 2016, April and July 2017		Risk assessment meetings track progress being made on areas needing most improvement, or areas, which would significantly impact ability to reduce weaknesses in internal control and business processes.
DHS CFO to engage with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	February – December 2017		Monthly action.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	June 2016	June 2016	Completed.
Assess the Department's FFMI compliance based on the results of DHS-wide assessment.	May 2016	June 2016	Completed.
Conduct quarterly risk assessments and incorporate results into Component risk management plans through recurring quarterly meetings.	March 2016	March 2016	Completed.
DHS CFO to engage with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	February – December 2016	February – December 2016	Completed.
DHS CFO to engage with Component CFOs to review the status of addressing audit findings, risks, and mitigation strategies.	February – December 2015	February – December 2015	Completed.
The Independent Auditor's Report notes improvement in Component FFMI compliance.	November 2015	November 2015	Completed. Improvement from five Components noted to four in the Independent Auditor's Report.
Components re-evaluate risks to sustaining a clean audit opinion and reducing weaknesses in internal control and business processes.	June 2015	June 2015	Completed.
Assess the Department's FFMI compliance based on the results of DHS-wide assessment.	May 2015	May 2015	Completed.



Financial Management Outcome #6

Outcome Lead: Jeffrey Bobich

Outcome Executive: Stacy Marcott

GAO Outcome: Effectively manage the implementation of a financial management system solution or modernization of existing systems for the U.S. Coast Guard (USCG) and its customers by:

- Applying rigorous and disciplined information technology (IT) acquisition management processes throughout the program/project lifecycle that are consistent with applicable practices identified in Level 2 of the Carnegie Mellon Software Engineering Institute's Capability Maturity Model® Integration. These steps will help to ensure that the systems meet expected capabilities/requirements and associated mission benefits.
- Implementing oversight mechanisms to monitor contractors or shared service providers selected to implement the solution or modernize the existing systems. These steps will help to ensure that actual cost, schedule and performance are within established threshold baselines, and variances are identified, tracked and addressed.

GAO 2017 Outcome Rating



ACCOMPLISHMENTS

GAO rated this Outcome as Partially Addressed. On behalf of the Domestic Nuclear Detection Office (DNDO), the Transportation Security Administration (TSA), and the USCG, DHS established an interagency agreement (IAA) with the Department of the Interior's Business Center (DOI IBC) to provide shared services to DNDO, TSA, and USCG.

The DNDO implementation commenced in August 2014 and DNDO was able to go live on the IBC Solution's financial and project modules in November 2015 and the procurement module in April 2016. DHS and DOI continue to work together to address remaining issues (e.g., invoice payment and interest accruals, Contract Lifecycle Management, and reporting) and generally improve the DNDO production environment.

Due to communication issues, lack of understanding of requirements, and DOI IBC capacity, capability, and overall program management issues, financial systems modernization (FSM) has been delayed and product/service requirements have not been met. As a result, USCG, TSA, and DNDO are behind schedule and exceeding projected costs.

Throughout the DNDO, TSA, and USCG implementations, DOI IBC has missed deadlines, escalated costs, offered multiple re-planning efforts to attempt recovery, and changed its leadership team multiple times. DOI IBC has communicated it will be unable to proceed with USCG in accordance with the established, agreed-upon scope and schedule.

To mitigate additional cost and schedule risk, DHS is standing up a joint program management office to provide centralized program, schedule, change, and risk management. The TSA re-plan is complete, and DOI IBC has submitted a tentative integrated master schedule that will deliver all TSA requirements in October 2017. DHS, TSA, and DOI IBC have agreed on the critical path and milestones and are conducting frequent milestone reviews and risk assessments, with the Unified Shared Services Management (USSM) and the Office of Management and Budget participation, to assess schedule and progress. USSM sits within the General Services Administration and is the integration body for shared services across the federal government, helping to bring together customer and provider and cross-collaboration between agencies. USSM works together with DHS and DOI IBC to provide a coordinating and oversight role.

Linkage to FM Outcomes: DHS's Chief Financial Officer (CFO) internal control over financial reporting (ICOFR) enterprise approach and remediation strategy outlined in GAO outcomes 2, 4, and 5 has demonstrated that FSM is not necessary for DHS to meet its financial management internal control objectives and achieve an ICOFR opinion. The manual or compensating controls DHS is implementing as part of its focused remediation strategy are proving to be effective in reducing material weaknesses.



ACCOMPLISHMENTS

DHS FSM must proceed as many of the Department's core accounting and related systems need to be modernized due to risks associated with legacy technology; to improve efficiency and decrease costs in transaction processing, consolidation, and reporting; reduce system sustainment costs; and to strengthen integrated IT internal controls with modern technology. However, the FSM-related GAO outcomes will not prevent the Department from meeting its target remediation date and achieving an ICOFR unmodified opinion by the end of FY 2019.

Recent federal agency experience has proven implementation of these enterprise financial systems introduces extensive new risks to agency financial management (and in some cases business operations), including the potential loss of agency unmodified audit opinions. Informed by lessons learned from other federal agencies, DHS is proceeding methodically in modernization, with rigorous risk management to balance the risk of extending FSM implementation timelines with the potential of adverse outcomes on internal controls over operations and financial reporting.

PLAN TO FULLY ADDRESS OUTCOME

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
USCG completes migration of their financial management systems to a federal shared service provider.	October 2018	October 2019 ⁷	Targeting a Fully Addressed rating.
USCG program status review.	TBD ⁷		USCG will present documentation to support that the solution is ready for deployment and support.
USCG training.	TBD ⁷		End users receive new system and business process training.
USCG test and acceptance.	TBD ⁷		End users test and accept system software based on their requirements and approved test plans.
USCG data conversion and migration.	TBD ⁷		Data incorporated from old to new system.
USCG system configuration.	TBD ⁷		System provider configures system software to meet requirements.
TSA completes migration of their financial management systems to a federal shared service provider.	October 2016	October 2018	Targeting a Mostly Addressed rating.
TSA program status review.	September 2016	September 2018	The Under Secretary for Management (USM) is presented with documentation to support that the solution is ready for deployment and support.
TSA training.	August 2016	September 2018	End users receive new system and business process training.

⁷ Updates to the Integrated Master Schedule are currently in process. Therefore, DHS cannot report adjusted target completion dates at this time. The updates to the schedule are necessary so that both the TSA and USCG solutions will be audit-ready upon migration.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
TSA data conversion and migration.	November 2015	September 2018	Data incorporated from old to new system.
TSA test and acceptance.	August 2016	October 2017	End users test and accept system software based on their requirements and approved test plans.
TSA system configuration.	June 2015	August 2017	System provider configures system software to meet requirements.
DNDO completes migration of their financial management systems to a federal shared service provider.	October 2015	November 2015	Go-live completed on November 5, 2015.
DNDO program status review.	September 2015	October 2015	USM is presented with documentation to support that the solution is ready for deployment and support.
DNDO training.	August 2015	October 2015	End users receive new system and business process training.
DNDO test and acceptance.	August 2015	October 2015	Schedule adjusted due to late cycle testing.
DNDO data conversion and migration.	August 2015	September 2015	
DNDO system configuration.	March 2015	June 2015	System provider configures system software to meet requirements.



Financial Management Outcome #7

Outcome Lead: Jeffrey Bobich

Outcome Executive: Stacy Marcott

GAO Outcome: Effectively manage the implementation of a financial management system solution or modernization of existing systems for the Federal Emergency Management Agency (FEMA) by:

- Applying rigorous and disciplined information technology (IT) acquisition management processes throughout the program/project life cycle that are consistent with applicable practices identified in level two of the Carnegie Mellon Software Engineering Institute's Capability Maturity Model® Integration. These steps will help ensure the systems meet expected capabilities/requirements and associated mission benefits.
- Implementing oversight mechanisms to monitor contractor(s) or shared service provider(s) selected to implement the solution or modernize the existing systems to help ensure actual cost, schedule, and performance are within established threshold baselines and variances are identified, tracked, and addressed.

GAO 2017 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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ACCOMPLISHMENTS

GAO rated this Outcome Initiated. In order to further strengthen the area of financial systems modernization (FSM), DHS has engaged in the following ways:

- Obtained Executive Steering Committee (ESC) concurrence for FEMA's Alternatives Analysis (AA) on January 31, 2017.
- Generated over 185 new system requirements to meet FEMA's needs. These were recorded in FEMA's Requirements Traceability Matrix (RTM), used to ensure all alternatives evaluated and ultimately the system option selected will meet FEMA's needs. All RTM requirements either have to be addressed with system functionality or determined to be unnecessary or obsolete as the project progresses (based on alternatives provided or cost/benefit/risk).
- Established key working groups to oversee and evaluate system requirements, alternatives, change management needs, training, and testing related to basic functional requirements and business intelligence needs.
- Updated the risk document for the FSM program.
- Generated a risk matrix for the FEMA program considering the requirements of the new Unified Shared Services Management Process (USSM) process.
- Updated the Integrated Master Schedule based on the new USSM process.
- Delivered a DHS Life Cycle Cost Estimate for FY 2016.
- Developed a detailed staffing plan for the FSM program (discovery and implementation).
- Awarded a new data strategy contract to support FEMA with a plan to clean and prepare the financial data for migration.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
FEMA completes migration of their financial management systems to a shared service provider.	October 2019		Targeting a Fully Addressed rating.
FEMA Training.	September 2019		End users receive new system and business process training.
FEMA Test and acceptance.	August 2019		End users test and accept system software based on their requirements and approved test plans.
FEMA Data conversion and migration.	August 2019		Data incorporated from old to new system.
FEMA System configuration.	June 2019		Targeting a Mostly Addressed rating. System provider configures system software to meet requirements.
FEMA Design phase.	March 2019		Transform requirements into detailed system design.
Prepare ongoing system engineering lifecycle documentation.	December 2017		DHS Chief Financial Officer reviews system design.
Start validation of functional and technical requirements.	November 2017		Provider and end user confirm business processes and infrastructure.
FEMA begins migration of their financial management system to a federal shared service provider.	October 2017		
Organize implementation teams.	September 2017		
FEMA executes implementation interagency agreement.	September 2017		The agreement is signed.
Acquisition Decision Event – 2B implementation approval.	April 2017	April 2018	The Under Secretary for Management (USM) is presented with documents to support approval for investment to proceed with implementation.
Department of Treasury and Office of Management and Budget (OMB) approval of the discovery report.	April 2017	April 2018	Department of Treasury and OMB agree the partnership between provider and client is suitable.
Complete discovery report.	April 2017	April 2018	Vendor and agency complete report describing the selected implementation plan and submit to USSM and OMB for approval.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
FSM ESC approval and Go/No Go decision (post-solution ESC approval).	April 2017	April 2018	
Final implementation schedule and cost estimate.	March 2017	February 2018	
FEMA completes a discovery phase with a shared service provider.	March 2017	January 2018	Targeting a Partially Addressed rating.
FEMA enters a discovery phase.	December 2016	July 2017	DHS is working with USSM to identify FEMA's discovery Partner. DHS, in accordance with the USSM Playbook, requires extensive documentation to support readiness to begin discovery. FEMA is adopting these requirements and has adjusted implementation schedule accordingly.
FEMA finalized and submitted its AA for DHS approval.	May 2016	January 2017	FSM ESC concurred with AA.
Develop and submit Capability Development Plan for DHS approval.	April 2015	December 2015	Delayed approval of the Financial System Strategy impacted the development of the Capability Development Plan.
Develop and submit Mission Needs Statement for DHS approval.	April 2014	November 2015	Additional delays were experienced due to FEMA's internal review process, which requires a full stakeholder review of the Mission Needs Statement by the impacted lines of business prior to DHS approval. Delayed approval of the Financial System Strategy (previously titled the Agency Modernization Plan) impacted USM approval of the Mission Needs Statement.
OMB approves Financial System Strategy.	June 2014	April 2015	Remaining schedule is dependent on approval by OMB and Department of Treasury's Financial Innovation and Transformation Office, and funding.



Financial Management Outcome #8

Outcome Lead: Jeffrey Bobich

Outcome Executive: Stacy Marcott

GAO Outcome: Effectively manage the implementation of a financial management system solution or modernization of existing systems for the U.S. Immigration and Customs Enforcement (ICE) and its customers by:

- Applying rigorous and disciplined information technology (IT) acquisition management processes that are consistent with applicable practices identified in level two of the Carnegie Mellon Software Engineering Institute’s Capability Maturity Model® Integration throughout the program/project life cycle to help ensure the systems meet expected capabilities/requirements and associated mission benefits.
- Implementing oversight mechanisms to monitor contractor(s) or shared service provider(s) selected to implement the solution or modernize the existing systems to help ensure actual cost, schedule, and performance are within established threshold baselines and variances are identified, tracked, and addressed.

GAO 2017 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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ACCOMPLISHMENTS
<p>GAO rated this Outcome as Initiated. ICE and its customers completed phase one of three of discovery, with the Department of Interior’s Business Center (DOI IBC) which is also providing a shared services solution to U.S. Coast Guard, the Transportation Security Administration, and the Domestic Nuclear Detection Office (GAO Outcome FM #6). DOI IBC has notified DHS that they are unable to move forward with the remainder of ICE’s discovery phase. DHS is working with the Unified Shared Services Management (USSM) and ICE customers to define next steps in seeking an alternative provider. At the same time, across the federal government and under the collaborative leadership of the Office of Management and Budget (OMB), the USSM, and the Department of Treasury’s Financial Innovation and Transformation (FIT) Office, financial management shared services is evolving with two important objectives that will reduce future risk and improve federal capability by:</p> <ul style="list-style-type: none"> • Establishing the “common core” financial management solution requirements, based on best business practices and integrated controls that all financial management software solutions will need to meet. • Building a governance strategy for agencies to access approved shared service providers (federal and commercial) and approved software in a menu of options (e.g., hosted-only solutions, and/or full implementation, and/or full transaction support), based on the common core and other standard requirements yet to be determined. <p>DHS is an active stakeholder in these efforts, and the outcome of these initiatives will likely impact ICE in both its timeline and solution along with subsequent DHS modernization efforts.</p> <p>ICE has continued with activities to ensure their readiness for financial systems modernization (FSM). To enhance current data quality, as well as ensure ICE is migration-ready, ICE has successfully completed extensive data cleanup activities, including closing out many overage contracts. ICE is also continuing to successfully address any internal control findings and improvements in their current systems and document business process requirements and potential improvement opportunities in a future state solution.</p> <p>While the milestones in the below action plan represent those necessary to migrate to a new financial management solution, the milestone dates cannot be provided at this time due to the pending discussions between ICE, DHS, and the USSM office about alternative shared service providers.</p>



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
U.S. Immigration and Customs Enforcement Milestones			
ICE completes migration to a new financial management solution.	November 2020	TBD	Targeting a Fully Addressed rating.
ICE program status review.	November 2020	TBD	The Under Secretary for Management (USM) is presented with documentation to support that the solution is ready for deployment and support.
ICE training.	September 2020	TBD	End users receive new system and business process training.
ICE test and acceptance.	August 2020	TBD	End users test and accept system software based on their requirements and approved test plans.
ICE data conversion and migration.	December 2019	TBD	Data is incorporated from old system to new system.
ICE system configuration.	September 2019	TBD	System provider configures system software to meet requirements.
ICE design phase.	June 2019	TBD	Transform requirements into detailed system design.
ICE validate functional and technical requirements.	March 2019	TBD	Provider and end user confirm business processes and infrastructure.
Prepare ongoing System Engineering Lifecycle (SEL) documentation.	December 2018	TBD	The DHS Chief Financial Officer reviews system design.
ICE starts validation of functional and technical requirements.	November 2018	TBD	Provider and end user confirm business processes and infrastructure.
ICE begins migration of their financial management systems to a shared service provider.	October 2018	TBD	
ICE executes implementation interagency agreement (IAA).	September 2018	TBD	Targeting a Mostly Addressed rating. The agreement will be signed.
Department of Treasury and OMB approval of discovery report.	April 2017	TBD	The Department of Treasury and OMB agree the partnership between provider and client is suitable.
Acquisition Decision Event – 2B implementation approval.	April 2017	TBD	USM is presented with documents to support approval for investment to proceed with implementation.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
FSM Executive Steering Committee (ESC) approval and Go/No Go decision (post-solution ESC approval).	April 2017	TBD	Agency obtains approval FSM ESC on the selected implementation plan.
ICE completes a discovery report.	April 2017	TBD	Vendor and agency complete report describing the selected implementation plan and submit to Treasury and OMB for approval.
Final implementation schedule and cost estimate.	April 2017	TBD	Vendor delivers final implementation plan including detailed schedule and final cost estimate.
ICE completes a discovery phase.	March 2017	TBD	Vendor and agency complete report describing the selected implementation plan and submit to Treasury and OMB for approval.
<p>DOI IBC has notified DHS that they are unable to move forward with the remainder of ICE's discovery phase. DHS is working with the USSM and ICE customers to define next steps in seeking an alternative provider. This development affects the actions above.</p>			
ICE enters a discovery phase.	October 2016	July 2016	The discovery phase consists of an in-depth gap analysis to determine the feasibility of implementing, deploying and maintaining financial management services on chosen solution. Through this discovery process, the provider will gain an in-depth understanding of the financial management needs of the DHS Components and requirements.
ICE awards discovery IAA to selected shared service provider.	September 2016	July 2016	
ICE selects shared service provider based on assessment findings.	September 2016	March 2016	
ICE conducts assessment of shared service providers.	August 2016	February 2016	The assessment of shared service providers will use approved evaluation criteria and guidance from the Department of Treasury's FIT Office.
ICE finalizes their alternatives analysis for financial systems modernization.	July 2016	January 2016	



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
U.S. Citizenship and Immigration Services and National Protection and Programs Directorate Milestones			
U.S. Citizenship and Immigration Services (USCIS) and National Protection and Programs Directorate (NPPD) complete migration to a new financial management solution. ⁸	April 2019	TBD	Contingent on funding. Contingent on federal shared service provider schedule.
USCIS and NPPD program status review.	March 2019	TBD	USM is presented with documentation to support that the solution is ready for deployment and support.
USCIS and NPPD training.	February 2019	TBD	End users receive new system and business process training.
USCIS and NPPD test and acceptance.	December 2018	TBD	End users test and accept system software based on their requirements and approved test plans.
USCIS and NPPD data conversion and migration.	November 2018	TBD	Data is incorporated from old system to new system.
USCIS and NPPD system configuration.	April 2018	TBD	System provider configures system software to meet requirements.
USCIS and NPPD design phase.	January 2018	TBD	Transform requirements into detailed system design.
Prepare ongoing SELC documentation.	December 2017	TBD	DHS CFO reviews system design.
USCIS and NPPD start validation of functional and technical requirements.	November 2017	TBD	Provider and end user confirm business processes and infrastructure.
USCIS and NPPD begin migration of their financial management systems to a shared service provider.	October 2017	TBD	
USCIS and NPPD execute implementation IAA.	September 2017	TBD	Targeting a Partially Addressed rating. The agreement will be signed.
Department of Treasury and OMB approval of discovery report.	April 2017	TBD	Treasury and OMB agree the partnership between provider and client is suitable.
USCIS and NPPD Acquisition Decision Event – 2B implementation approval.	April 2017	TBD	USM is presented with documents to support approval for investment to proceed with implementation.

⁸ Subject to change due to pending litigation.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
FSM ESC approval and Go/No Go decision (post-solution ESC approval).	April 2017	TBD	Agency obtains approval FSM ESC on the selected implementation plan.
USCIS and NPPD complete a discovery report.	April 2017	TBD	Vendor and agency complete report describing the selected implementation plan and submit to Treasury and OMB for approval.
Final implementation schedule and cost estimate.	April 2017	TBD	Vendor delivers final implementation plan including detailed schedule and final cost estimate.
USCIS and NPPD complete a discovery phase.	March 2017	TBD	Vendor and agency complete gap analysis to determine viability of the vendor to meet the Component's functional and technical requirements and document any identifiable gaps.
USCIS and NPPD enter a discovery phase.	October 2014	July 2016	The discovery phase consists of an in-depth gap analysis to determine the feasibility of implementing, deploying and maintaining financial management services on chosen solution. Through this discovery process, the provider will gain an in-depth understanding of the financial management needs of the DHS Components and requirements.
USCIS and NPPD award discovery IAA to selected shared service provider.	March 2015	July 2016	
USCIS and NPPD select shared service provider based on assessment findings.	March 2015	March 2016	
USCIS and NPPD conduct assessment of shared service providers.	February 2015	October 2015	The assessment of shared service providers will use approved evaluation criteria and guidance from the Department of Treasury's FIT Office.
USCIS finalizes their Alternatives Analysis (AA) for financial systems modernization.	April 2015	May 2015	The FSM ESC approved USCIS' AA on May 21, 2015.
NPPD finalizes their AA for financial systems modernization.	January 2015	April 2015	The FSM ESC approved NPPD's AA on April 6, 2015.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Office of Financial Operations and Science and Technology Directorate Milestones			
The Office of Financial Operations/Headquarters (OFO/HQ) and Science and Technology Directorate (S&T) complete migration to a new financial management solution. ⁹	April, May 2018	TBD	
OFO/HQ and S&T program status review.	May 2018	TBD	USM is presented with documentation to support that the solution is ready for deployment and support.
OFO/HQ and S&T training.	March 2018	TBD	End users receive new system and business process training.
OFO/HQ and S&T test and acceptance.	February 2018	TBD	End users test and accept system software based on their requirements and approved test plans.
OFO/HQ and S&T data conversion and migration.	February 2018	TBD	Data is incorporated from old system to new system.
OFO/HQ and S&T design phase.	July 2017	TBD	Transform requirements into detailed system design.
OFO/HQ and S&T system configuration.	October 2017	TBD	System provider configures system software to meet requirements.
OFO/HQ and S&T start validation of functional and technical requirements.	July 2017	TBD	Provider and end user confirm business processes and infrastructure.
OFO/HQ and S&T begin migration of their financial management systems to a shared service provider.	June 2017	TBD	
OFO/HQ and S&T execute IAA.	May 2017	TBD	Targeting a Partially Addressed rating. The agreement will be signed.
Department of Treasury and OMB approval of discovery report.	April 2017	TBD	Treasury and OMB agree the partnership between provider and client is suitable.
Acquisition Decision Event – 2B implementation approval.	April 2017	TBD	USM is presented with documents to support approval for investment to proceed with implementation.
FSM ESC approval and Go/No Go decision (post-solution ESC approval).	April 2017	TBD	Agency obtains approval from FSM ESC on the selected implementation plan.

⁹ Subject to change due to pending litigation.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
OFO/HQ and S&T complete a discovery report.	April 2017	TBD	Vendor and agency complete report describing the selected implementation plan and submit to Department of Treasury and OMB for approval.
Final implementation schedule and cost estimate.	April 2017	TBD	Vendor delivers final implementation plan including detailed schedule and final cost estimate.
OFO/HQ and S&T complete a discovery phase.	March 2017	TBD	Vendor and agency complete report describing the selected implementation plan and submit to Department of Treasury and OMB for approval.
OFO/HQ and S&T enter a discovery phase.	October 2014	July 2016	The discovery phase consists of an in-depth gap analysis to determine the feasibility of implementing, deploying and maintaining financial management services on chosen solution. Through this discovery process, the provider will gain an in-depth understanding of the financial management needs of the DHS Components and requirements.
OFO/HQ and S&T award discovery IAA to selected shared service provider.	March 2015	July 2016	
OFO/HQ and S&T select shared service provider based on assessment findings.	March 2015	March 2016	
OFO/HQ and S&T conduct assessment of shared service providers.	February 2015	October 2015	The assessment of shared service providers will use approved evaluation criteria and guidance from the Department of Treasury's FIT Office.
OFO/HQ finalize their AA for financial systems modernization.	January 2015	March 2015	The FSM ESC approved OFO/HQ's AA on March 26, 2015.
S&T finalize their AA for financial systems modernization.	January 2015	July 2015	The FSM ESC approved S&T's AA on July 30, 2015.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Office of Health Affairs Milestones			
OHA Migration to U.S. Customs and Border Protection – Go Live.	April 2014	TBD	OHA will now migrate with ICE and customers when the strategy/provider is determined.



Human Capital Management Outcome #4

Outcome Lead: Monica Generous

Outcome Executive: Gwen Yandall

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. This includes linking individuals' performance plans and evaluations to the agency's overall plans and performance to create a "line of sight" between individual performance and agency success.

GAO 2017 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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ACCOMPLISHMENTS
<p>GAO rated this Outcome Mostly Addressed. Based on GAO’s feedback following the August 2016 <i>Integrated Strategy</i>, DHS believes that its policies and procedures address this Outcome, but that DHS needs to provide additional documentation and evidence to GAO to better verify progress. DHS will meet with GAO in the near future to discuss the evidence necessary to support GAO’s review and consideration for advancing this Outcome to Fully Addressed.</p>

PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Periodically evaluate Component use of custom competency-based models, standardized assessment inventories, rating tools, structured interview guidance, and merit promotion guidance through annual data calls.	August 2017		Sustaining a Fully Addressed rating.
Engage with GAO to confirm that evidence provided was sufficient.	May 2017		Targeting a Fully Addressed rating. This date may change depending on GAO’s availability to review evidence.
Provide evidence to GAO demonstrating Component use of custom competency-based models, standardized assessment inventories, rating tools, structured interview guidance, and merit promotion guidance.	April 2017		DHS has evaluated Component presentations, studies, and plans that describe entry and higher-level job analysis, competency-based modeling, assessment development, entrance and promotion examinations, structured interview processes and merit promotion procedures.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Demonstrate that merit promotion and selection actions are based on mission critical competencies and customized assessment protocols.	February 2017	February 2017	DHS has collected Department-wide evidence that goals and missions align to established job analysis guidance, custom competency-based models, standardized assessment inventories, rating tools, structured interview guidance, and merit promotion guidance. The Office of Personnel Management supporting technical reports date back to 2013.



Human Capital Management Outcome #5

Outcome Leads: Kirstin Austin, Alisa Green

Outcome Executive: Clothilda Taylor

GAO Outcome: Employee Input - Seek employees' input on a periodic basis and demonstrate measurable progress in implementing strategies to adjust human capital approaches. Input could be collected through employee satisfaction surveys, focus groups, or employee advisory councils, or by including employees on task forces.

GAO 2017 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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ACCOMPLISHMENTS
<p>GAO rated this Outcome Mostly Addressed. In order to achieve a Fully Addressed rating, it is DHS's understanding that it must 1) sustain progress in seeking employee feedback; and 2) address recommendations from GAO's report, <i>Taking Further Action to Better Determine Causes of Morale Problems Would Assist in Targeting Action Plans</i>.¹⁰ In that report, GAO recommended the DHS Office of the Chief Human Capital Officer (OCHCO) and Component human capital offices strengthen evaluation and planning processes for addressing employee morale by taking the following two actions (hereafter: recommendations):</p> <ul style="list-style-type: none"> ○ Examine root cause analysis efforts and, where absent, add the following: comparisons of demographic groups, benchmarking against similar organizations, and linkage of root cause findings to action plans. ○ Establish clear and measurable metrics of success for employee engagement action plans. <ul style="list-style-type: none"> ● Component employee engagement action plans (hereafter: Component action plans) from November, 2016 were assessed and rated by GAO in January, 2016.¹¹ <ul style="list-style-type: none"> ○ On recommendation 1, GAO rated ICE, CBP, USCIS, FEMA, and TSA as having "addressed" this recommendation; USCG and USSS were rated "partially addressed"; and NPPD was rated "not addressed." ○ On recommendation 2, GAO rated ICE and NPPD as having "addressed" this recommendation; CBP, FEMA, TSA, USCG, and USSS were rated "partially addressed"; and USCIS was rated "not addressed." ● Revised Component action plans responsive to GAO's feedback will be completed by April 2017. ● Employee input is a key consideration during the development of goals and activities in Component action plans. These plans are tailored to address the underlying causes of morale issues that are unique to each Component, a practice noted by GAO as evidence of DHS's progress in addressing High-Risk List issues related to human capital management.¹² ● DHS achieved a marked improvement in its efforts to obtain employee input in 2016: <ul style="list-style-type: none"> ○ Federal Employee Viewpoint Survey (FEVS) Department-wide and Component-level marketing efforts yielded a 3% response rate increase in 2016. The Department's FEVS response rate in 2016 was more than 4% higher than the government-wide average. Increased participation in some Components was even higher; USSS, for example, improved its response rate by 17%. ● DHS will integrate data from the government-wide work-life survey into engagement action planning in 2017.

¹⁰ GAO, *Taking Further Action to Better Determine Causes of Morale Problems Would Assist in Targeting Action Plans*, GAO-12-940 (Washington, D.C.: September 28, 2012), page 35.

¹¹ DHS Components rated on GAO-12-940 recommendations: U.S. Immigration and Customs Enforcement (ICE); Customs and Border Protection (CBP); U.S. Citizenship and Immigration Services (USCIS); Federal Emergency Management Agency (FEMA); Transportation and Security Administration (TSA), United States Coast Guard (USCG), United States Secret Service (USSS).

¹² GAO, *High-Risk Series*, page 369.



ACCOMPLISHMENTS

- Approaches to obtain employee input throughout the Department are underpinned by unwavering top leadership support. Within two weeks of his confirmation, Secretary Kelly initiated a series of town hall meetings to hear from employees.

PLAN TO FULLY ADDRESS OUTCOME

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Provide evidence of sustained progress in seeking employee feedback (e.g., continuing surveys, Component action plan implementation).	January 2018		Targeting a Fully Addressed rating. For this Outcome to be Fully Addressed, GAO requires two years of sustainment, which began in January 2016.
Close both GAO-12-940 recommendations.	August 2017		DHS anticipates all Component ratings for both GAO recommendations to be advanced to "addressed" by August 2017.
Update Component action plans in response to 2016 FEVS results and GAO feedback. DHS OCHCO will review drafts and provide feedback before the final plans are signed by Component heads.	December 2017	April 2017	Components submitted action plan drafts in February for review by OCHCO and finalization in April 2017. In submitting the action plans the Components are also submitting responses to GAO's feedback.
DHS to include agency-specific questions on 2017 FEVS to help better identify causes of employee dissatisfaction, particularly related to leadership, in order to inform action planning.	May 2017		DHS has submitted the questions to the Office of Personnel Management (OPM) for integration into the 2017 FEVS, which will launch in early May 2017.
Work with Components to identify remedial actions based on OPM audits, which include employee feedback.	November 2015 – June 2016	June 2016	Targeting a Mostly Addressed rating. Employee input mechanisms demonstrated on an ongoing basis (began in November 2015). OPM DHS 2015 Audit Report received. There were no required actions related to engagement, and many of the recommended actions were already under way.
Continue FEVS survey-related communication and Component action plan implementation cycles.	Ongoing	Ongoing	Next survey administration is scheduled for early May 2017. Action plan status updates will be requested in September/October, and full updates responsive to 2017 FEVS results will be due March/April 2018.



Human Capital Management Outcome #6

Outcome Leads: Kirstin Austin, Alisa Green

Outcome Executive: Clothilda Taylor

GAO Outcome: Federal Employee Viewpoint Survey (FEVS) - 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.

2017 GAO Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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ACCOMPLISHMENTS
<p>GAO rated this Outcome Partially Addressed. Based on feedback following the August 2016 DHS <i>Integrated Strategy</i>, it is DHS's understanding that, in order to advance to Fully Addressed, DHS must continue to close the gap between its FEVS scores and the government-wide average.</p> <ul style="list-style-type: none"> • For 2016, DHS improved FEVS scores in employee engagement and across all four Human Capital Assessment and Accountability Framework indices: <ul style="list-style-type: none"> ○ Leadership and Knowledge Management improved by 2% ○ Results-Oriented Performance Management improved by 3% ○ Talent Management improved by 2% ○ Job Satisfaction improved by 3% ○ Employee Engagement improved by 3% • DHS increased 2016 FEVS response rates by 3% from the year before, exceeding the government-wide average by 4%. • Under the auspices of the Employee Engagement Executive Steering Committee, which was chartered in October 2016 and oversees DHS-wide efforts to improve employee morale, Components are updating engagement action plans to incorporate 2016 FEVS data and GAO feedback. • GAO Outcome HCM #5 (page 36) includes accomplishments related to the FEVS action planning cycle that pertain to this Outcome as well. For the purpose of brevity, they are not repeated here.

PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Receive results from 2018 FEVS and continue cycle of communication and Component employee engagement action plan implementation.	October 2019		Targeting a Fully Addressed rating. DHS sustains improved FEVS scores and has narrowed the gap between its scores and the government-wide average.
Components update employee engagement action plans in response to 2017 FEVS results.	April 2018		



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Receive results from 2017 FEVS and continue cycle of communication and Component employee engagement action plan implementation.	October 2018		Targeting a Mostly Addressed rating. DHS sustains improved FEVS scores and continues narrowing the gap between its scores and the government-wide average.
Components update employee engagement action plans in response to 2016 FEVS results.	December 2017	April 2017	Components are on track to submit action plan drafts in February for review by the Office of the Chief Human Capital Officer and finalization in April 2017. These action plans will also directly address feedback provided by GAO in January 2017 in relation to GAO-12-940 – see GAO Outcome HCM #5 for additional information (page 36).
DHS to include agency-specific questions on the 2017 FEVS to help better identify causes of employee dissatisfaction, particularly related to leadership, in order to inform action planning.	May 2017		DHS has submitted the questions to Office of Personnel Management for integration into the 2017 FEVS, which will launch in early May.
Continue FEVS-related survey communication and action plan implementation cycles for Components.	Ongoing	Ongoing	Next survey administration is scheduled for early May 2017. Action plan status updates will be requested in September or October, and full updates incorporating 2017 FEVS results will be due in March or April 2018.



Human Capital Management Outcome #7

Outcome Lead: Kirstin Austin

Outcome Executive: Clothilda Taylor

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

GAO 2017 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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ACCOMPLISHMENTS

GAO rated this Outcome Mostly Addressed. In order to advance to Fully Addressed, it is DHS's understanding that evidence must be provided to GAO that reflects 1) the completion of actions from the FY 2016 – 2017 Workforce Development Plan, an assessment of the plan, and a refresh of the plan for FY 2018; 2) evidence of Components' compliance with DHS learning and development policy; and 3) the completed roll-out of the learning management systems module of Performance and Learning Management System (PALMS) in select Components. In advancing toward a Fully Addressed rating, DHS continues to make significant progress by institutionalizing Department-wide policies and practices that support sound training, education, and leader development programs and outcomes.

- The FY 2016 – 2017 DHS *Workforce Development Plan* activities have been implemented. Evaluation and planning for the next edition of the plan will begin in April 2017. The evaluation will:
 - Assess the plan's strengths and accomplishments;
 - Identify where planned activities were successful or could be improved;
 - Provide recommendations for addressing improvements, including adjusting strategies to support institutionalization of sound learning and development practices across DHS; and
 - Provide input to the planned activities in the next edition of the plan (i.e., the activities that are most likely to contribute to sustained excellence and quality control in the learning and development arena).
- Implemented the new Common Training Cost Structure in conjunction with the Office of the Chief Financial Officer to track training costs by mission functional area. This system will allow for detailed analysis of the Department's investment in training programs.
- In January 2017, collected the first-ever Department-wide data on residential mission training. Analysis to identify trends, including course sharing opportunities, is ongoing. Data was also collected on external accreditations (an indicator of adherence to DHS policy and quality standards) and application of training principles, such as needs assessment and evaluation.
- The Directive and Instruction for employee learning and development were signed in September 2016.
- In February 2017, Components submitted training plans to the DHS Office of the Chief Human Capital Officer, in compliance with DHS policy.
- Components that have implemented the learning management system module in PALMS, and their respective go-live dates, include:
 - U.S. Customs and Border Protection (CBP), July 13, 2015.
 - Federal Law Enforcement Training Centers (FLETC), December 10, 2015.
 - U.S. Immigration and Customs Enforcement (ICE), June 1, 2016.
 - Headquarters (HQ), October 6, 2015.



ACCOMPLISHMENTS

- U.S. Citizenship and Immigration Services (USCIS), September 30, 2016
- U.S. Secret Service (USSS), in progress, target date May 2017.
- The Federal Emergency Management Agency, Transportation Security Administration, and U.S. Coast Guard will not implement PALMS, based on the decision made by the Acquisition Review Board in June 2016 after a review of Component business cases. The systems used by these Components provide training management equivalent to PALMS.

PLAN TO FULLY ADDRESS OUTCOME

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Conduct annual verification of Component compliance with DHS training policy.	December 2018		Sustaining a Fully Addressed rating.
Assess Component compliance with DHS training policy.	December 2017		Targeting a Fully Addressed rating. As the relevant Office of Personnel Management Human Resources Operations Audit has been delayed, DHS is designing an alternative review and verification process. The proposed strategy will include examination of Components' training plans to ensure compliance with policy, supplemented by examination of Components' documentation of policy implementation.
Assess FY 2016 – 2017 Workforce Development Plan actions and develop FY 2018 plan.	October 2017		Assessment of FY 2016 – 2017 plan and development of next edition will begin in April 2017.
PALMS Learning Management System rolled-out across Components.	May 2017	CBP, 07/13/15 HQ, 10/06/15 FLETC, 12/10/15 ICE, 06/01/16	PALMS is currently deployed to CBP, FLETC, ICE, USCIS, and HQ (includes NPPD). Implementation for the remaining Component, USSS, is scheduled for May 2017.
Issue the Rotations Directive and Instruction.	September 2016	August 2016	Issued August 2016.
Provide evidence that gap analysis results are being used to improve knowledge, skills, and abilities.	September 2016	September 2016	Provided in September 2016.
Track compliance through the Human Resources Operations Audit.	December 2015	August 2015	Incorporated leadership development and training items.
Issue the Workforce Development Plan, implement planned actions.	September 2015	October 2015	The FY 2016 – 2017 DHS Workforce Development Plan was issued in October 2015.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Issue the Directive and Instruction, "Employee Learning and Development."	July 2015	September 2016	Issued September 2016.
Issue the <i>Needs Assessment Guide</i> , assess Component needs assessment practices.	July 2015	April 2016	Issued April 2016.
Issue the <i>Training Evaluation Guide</i> , assess Component training evaluation practices.	July 2015	April 2016	Issued April 2016.



IT Management Outcome #4

Outcome Lead: Shila Cooch

Outcome Executive: Jeanne Etzel

GAO Outcome: Implement Information Technology (IT) Human Capital Plan – In Q1 FY 2016, GAO and DHS agreed to update the Outcome language to: “Demonstrate progress in establishing and implementing strategic IT human capital planning goals necessary to support the department’s IT Strategic Plan for FY2015 – 2018.”

GAO 2017 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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ACCOMPLISHMENTS

GAO rated this Outcome Mostly Addressed. DHS continues to implement the DHS FY 2015 – 2018 IT Strategic Plan in alignment with the DHS FY 2015 – FY 2019 Human Capital Strategic Plan (HCSP), which includes activities related to talent acquisition and branding; employee development and retention; and performance management.

The DHS FY 2015 – 2018 IT Strategic Plan shifts the paradigm for IT from acquiring assets to acquiring services and acting as a service broker. GAO has expressed interest in the Department’s efforts to assess and identify the skills needed to support this paradigm shift and address any gaps that may result from this assessment.¹³ It is the Department’s understanding that it must demonstrate progress on these efforts in order to achieve a Fully Addressed rating.

DHS continues enterprise-wide implementation of the HCSP and is conducting workforce planning and recruitment efforts in support of the DHS IT Strategic Plan to ensure the availability of a community of highly skilled IT professionals and the IT infrastructure needed to promote a secure America. In response to GAO’s feedback and recommendations, DHS, through the Office of the Chief Information Officer (OCIO), has accomplished the following in advancing toward a Fully Addressed rating:

- Executed a contract to provide assistance with workforce planning and overall human capital management planning, including IT workforce assessment; IT competency requirements and skills assessment; training programs; associated marketing, branding, and recruiting activities.
- Continued executing the operational plan – aligned to the IT Strategic Plan and HCSP – that defines specific actions and metrics. The operational plan highlights actions that have been completed to date, as well as planned activities that show how DHS implements human capital goals supporting the IT Strategic Plan. Updates to the plan will be provided to GAO by June 2017.
- Hired 24 candidates with private sector technology experience not traditionally found in the federal IT workforce, becoming the largest user and second federal agency to utilize the new Smarter IT Delivery Schedule “A” Hiring Authority for digital services experts. These experts work on priority IT programs across the Department.
- Partnered with the DHS Office of the Chief Human Capital Officer (OCHCO) on recruiting, hiring, and outreach efforts to address IT vacancy rates across the Department. OCIO participated in the first-ever DHS Cyber & Technology Job Fair in June 2016 and the DHS Pathfinders Hiring Fair in December 2016, which focused on recruiting students and recent graduates. More than 430 tentative job offers were issued at the DHS Cyber & Technology Job Fair, and nearly 75 at the DHS Pathfinders Hiring Event.
- Continued to build and sustain workforce capacity through the IT Immersion Program, by conducting three sessions for new IT employees. The program brings together new employees from across the Department with seasoned IT leadership. Participants share information and learn about the complexities and collaboration opportunities within the DHS IT community. To date, 374 employees have matriculated

¹³ GAO, *High-Risk Series*, page 363.



ACCOMPLISHMENTS
<p>through 14 IT Immersion Programs. Component offices rotate the responsibility for leading each cohort to help acclimate new IT employees to understanding the DHS mission.</p> <ul style="list-style-type: none"> • Continued efforts in promoting a culture of continuous learning and development by focusing on training OCIO supervisors. <ul style="list-style-type: none"> ○ Conducted a roundtable for supervisors to discuss best practices, receive organizational information, and enhance their leadership skills. The roundtable was used as an opportunity to introduce the Acting Principal Deputy Chief Information Officer and share information on hiring and other efforts related to strategic workforce planning. ○ Conducted a training session with officials from the DHS Office for Civil Rights and Civil Liberties, who shared real-case business scenarios to help guide supervisors in making accurate decisions on when to utilize the reasonable accommodations process. ○ Launched the new virtual collaboration site for supervisors, “Leaders Talk,” to allow OCIO leadership to come together as a community and share ideas, resources, and ask questions. • Launched the Space Renovation Initiative to co-locate program offices and provide OCIO with open, collaborative workspaces similar to those utilized by today’s leading technology organizations. Offices are anticipated to be ready for occupancy in April 2017.

PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Conclude initial phase of workforce planning activities supporting the Department’s FY 2015 – 2018 IT Strategic Plan.	September 2017		<p>Targeting a Fully Addressed rating.</p> <p>Analysis will focus on the state of the current workforce supply, forecasting future workforce demand, assessing workforce gaps (related to competencies, training, skills, etc.), and implementing talent management solutions. The analysis will produce the following:</p> <ul style="list-style-type: none"> • Hiring Action plan; • Workforce Assessment; • Skill Assessment; and • Position Description Alignment.
Meet with GAO to present updated approach of alignment to DHS HCSP, highlighting performance objectives and success indicators for CIO Components.	June 2017		DHS will request a meeting with GAO to confirm DHS is meeting requirements for a Fully Addressed rating.
Update annual operational plan.	June 2017		Update approach of alignment to DHS HCSP, highlighting performance objectives and success indicators for CIO Components. Incorporate significant workforce planning updates.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Complete OCIO Gap Analysis to forecast IT workforce supply and demand requirements and assess workforce gaps.	June 2017		Produce report of 1) workforce assessment, including high level skill/competency needs; 2) gap analysis to include skill/training requirements; and 3) recommendations for the CIO Council to address, including the identification of risk mitigation options for existing and forecasted skills gaps.
Participate in the Veterans Hiring Fair.	June 2017		Opportunity to participate in recruiting veterans.
Conduct 15 th IT Immersion Program session for new hires. OCIO will conduct an assessment of IT Immersion Program survey results for presentation to the CIO Council.	May 2017		U.S. Customs and Border Protection has the lead.
Conducted the 14 th IT Immersion Program session for new hires. OCIO will conduct an assessment of IT Immersion Program survey results for presentation to the CIO Council.	February 2017	February 2017	The Federal Emergency Management Agency had the lead.
Participated in DHS Pathfinders Hiring Fair.	December 2016	December 2016	Opportunity to participate in recruiting students and recent graduates.
Conducted the 13 th IT Immersion Program session for new hires. OCIO will conduct an assessment of IT Immersion Program survey results for presentation to the CIO Council.	October 2016	October 2016	U.S. Immigration and Customs Enforcement had the lead.
Met with GAO to present updated approach of alignment to DHS HCSP, highlighting performance objectives and success indicators for CIO Components.	August 2016	August 2016	Joint session with GAO, OCIO, and OCHCO to discuss next steps to achieving Fully Addressed rating. Shared the Annual Operational Plan.
Conducted the 12 th IT Immersion Program session for new hires. OCIO will conduct an assessment of IT Immersion Program survey results for presentation to the CIO Council.	August 2016	August 2016	The IT Immersion Program continued to draw large participation and received positive reviews.
Executed a contract to assist with workforce planning and IT human capital management.	Q3 FY 2016	July 2016	OCIO conducted the technical evaluation team analysis, best value analysis, and reviewed the price analysis documents to form a recommendation to the source selection authority.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Finalized OCIO realignment to support the IT Infrastructure Library organizational workflow.	July 2016	July 2016	Coordinated with OCHCO on all associated activities to support the realignment. Communicated to OCIO staff. Developed a Workforce Engagement Division to focus on workforce planning efforts. Dedicated full-time equivalents and contract personnel to this Division.
Conducted the first-ever DHS Hiring Fair with Department-wide coordination and participation.	July 2016	July 2016	Focused on recruitments to address IT vacancy rates across DHS.
Created operational plan to align DHS IT Strategic Plan goals to HCSP goals to manage OCIO and Component OCIOs.	July 2016	July 2016	Socialize plan to OCHCO and CIO Council.
Collaborated with OCHCO to strengthen integration of human capital strategic planning and IT strategic planning.	May 2016	Ongoing	
Conducted 11 th IT Immersion Program session for new hires.	February 2016	May 2016	OCIO will conduct an assessment of IT Immersion Program survey results for presentation to the CIO Council. Future dates for IT Immersion Program sessions will be quarterly and include representatives from the Components.
Met with GAO to discuss Component input and target a Fully Addressed rating.	February 2016	March 2016	Met with GAO and presented Component input. Confirmed GAO modified the outcome language. Per GAO, OCIO remains at Mostly Addressed until DHS can demonstrate that Components are aligned to the new IT business model. Per the <i>Federal Information Technology Acquisition Reform Act</i> , demonstrated inclusion in Senior Executive Service performance plans on how Component CIOs aligned to DHS CIO priorities for employee engagement.
Conducted an assessment of IT Immersion Program survey results.	August 2015	August 2015	Assessment of survey results completed and determined these sessions are beneficial for new and seasoned employees. As a result, future sessions will be available to all.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Met with GAO to discuss Component input and advancing to a Fully Addressed rating.	July 2015	August 2015	
Conducted the 10 th IT Immersion Program session for new hires.	July 2015	July 2015	Included representatives from Headquarters and various Components.
Compiled Component responses in preparation for meeting with GAO.	July 2015	August 2015	Component responses were submitted to GAO in August 2015.
Included Component responses regarding their HR and on-boarding activities through CIO Council and IT Infrastructure Services Governance Board.	June 2015	June 2015	Per GAO's request, OCIO collected Component-specific information on current HR and on-boarding activities.
Met with GAO to discuss steps to achieve a Fully Addressed rating.	May 2015	May 2015	GAO stated that DHS must focus on identifying current hiring initiatives, human resource activities, and on-boarding processes for OCIO throughout the Components.
Conducted an assessment of Immersion Program survey results for presentation to the CIO Council.	May 2015	May 2015	Survey assessment completed; participants strongly agreed on general session design, content, and delivery methodology, with overall outstanding comments.
Conducted the 9 th IT Immersion Program session for new hires.	April 2015	April 2015	The 9 th IT Immersion Program session was held on April 1, 2015 and included representatives from Headquarters and various Components.
Leverage updating overall DHS HCSP by participating in the Human Capital Leadership Council.	Ongoing	Ongoing	Participating in OCHCO Workforce Planning and Balanced Workforce Council; and the DHS HCSP development.



IT Management Outcome #5

Outcome Lead: Michael Hermus

Outcome Executive: Jeanne Etzel

GAO Outcome: Adhere to Program Baselines - Demonstrate improvement in cost, schedule, and performance for troubled information technology (IT) investments.

GAO 2017 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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ACCOMPLISHMENTS

GAO rated this Outcome Mostly Addressed. DHS has made progress in demonstrating improvement in cost, schedule, and performance of IT investments. To assess this progress, GAO uses the IT Dashboard as a primary source of information and continues to cross-reference relevant GAO audits (that may include selected investments). The eight programs that are included in this Outcome, with their associated statuses, are as follows:

1. Homeland Security Information Network (HSIN)
 - Operating within acceptable ranges for cost and schedule variances.
 - Migrated all users, content, and sites from HSIN Legacy and decommissioned the legacy system.
 - Granted approval for Acquisition Decision Event (ADE)-3 and Full Operational Capability in January 2016.
2. U.S. Customs and Border Protection (CBP) Automated Commercial Environment (ACE)
 - Submitted a cost and schedule breach notification and remediation plan in June 2016.
 - Assessed and reviewed program status regularly to ensure compliance with re-baseline efforts.
 - Updated the Acquisition Program Baseline and Life Cycle Cost Estimate, which was approved in November 2016 and removed the program from breach status.
3. National Protection and Programs Directorate (NPPD) Federal Protective Service (FPS) Tactical Communications Modernization (TACCOM)
 - Exceeded baseline goals and targets for five performance measures over three consecutive years. Program and operational performance meeting customer expectations.
 - Created the Department-level Joint Wireless Program Management Office. This furthers common architecture and equipment across DHS to optimize procurement costs and create a unified DHS Tactical Communications Network.
4. Human Resources IT (HRIT)
 - Re-established the HRIT Executive Steering Committee. A complete Lifecycle Cost Estimate for HRIT is being developed in collaboration with the Office of the Chief Financial Officer, Cost Analysis Division.
 - Improved the Performance and Learning Management System by addressing the issues identified during the Component implementations.
 - Reassessed the future program requirements and participates in quarterly Acquisition Review Board (ARB) reviews.
 - Demonstrated progress on the GAO-16-253 recommendations:
 - 3 of 14 recommendations have been completed and closed.
 - The remaining 11 recommendations have been addressed and submitted to GAO for closure.



ACCOMPLISHMENTS

5. Federal Emergency Management Agency (FEMA) Logistics Supply Chain Management System (LSCMS)
 - Addressed 8 of the 10 Office of Inspector General recommendations; the 2 remaining recommendations will be closed after the Operational Test Agent implementation.
 - On-track for Release 5.0, Oracle 2016 Upgrade, Product Readiness Review in Q3 FY 2017.
6. U.S. Immigration and Customs Enforcement (ICE) Student and Exchange Visitor Information System (SEVIS)
 - Completed several action items related to an October 2016 Acquisition Decision Memo.
 - Targeting Q2 FY 2018 for initial operating capability, which will occur when all of the exchange of data between interface partners is established using the information sharing module.
7. ICE TECS Modernization
 - Completed TechStat review in Q3 FY 2016, resulting in completion of a remediation plan and revision of the life cycle cost estimate. The program achieved initial operating capability in June 2016.
8. U.S. Citizenship and Immigration Services (USCIS) Transformation
 - Submitted a breach notification to Headquarters in October 2016, which resulted in an update to acquisition and requirements documents. The program will present the status of implementing the new acquisition strategy to the ARB shortly.
 - Underwent major reorganization to improve management of resources and streamline the decision authority process

In February 2016, DHS began IT Acquisition Agile Pilots with five programs at various points in the Acquisition Lifecycle Framework. The Pilots began to identify and support improvements in the acquisition process and program delivery through the utilization of Agile practices. The goal is to increase customer value; reduce time-to-market, cost, and risk; and increase accountability and oversight. By eliminating redundancies, streamlining required program artifacts, and enabling best practices for Agile development, programs have already benefited in many aspects, such as realizing improved communication and coordination between oversight groups. As a result of utilizing Agile practices for the five pilot programs and through dedicated Headquarters oversight involvement, DHS has:

- Reduced the average artifact size by 31%;
- Shortened the document draft to approval cycle time by 34%;
- Decreased the Acquisition Lifecycle Framework cycle time between ADE-1 and ADE-2A by 50% (from 24 months to 12 months or less); and
- Improved survey responses of Pilot members by 72%, indicating their shift toward becoming promoters of the Agile Integrated Project Team.

Lastly, as of Q2 FY 2017, DHS has demonstrated significant progress in the implementation of the *Federal Information Technology Acquisition Reform Act* across the Department by completing 124 of 131 implementation action items.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Receive feedback from GAO on progress.	September 2017		Targeting a Fully Addressed rating. DHS believes sufficient progress will be demonstrated to justify consideration for a Fully Addressed rating.
Provided GAO with requested documentation on monitoring of IT programs.	September 2016	September 2016	Quarterly meetings with GAO.
Provided documentation for GAO review to demonstrate that IT investments are diligently and consistently monitored for adherence to cost, schedule, and performance baselines.	May 2016	May 2016	OCIO provided the following documentation to GAO: <ul style="list-style-type: none"> Recent program health assessments for each of the eight programs; and Recent program health assessments for HRIT's and USCIS' transformations, with a summary document that identifies the specific scores assigned for each assessment criteria.
Met with GAO to discuss closure of OCIO's only recommendation in GAO-14-62.	December 2015	December 2015	Targeting a Mostly Addressed rating. Met with GAO on December 8, 2015 to discuss closure of recommendation. GAO followed up in May 2016 and agreed to a Mostly Addressed rating.
Provided GAO with requested documentation on monitoring of IT programs.	April 2014	May 2014; May 2015	OCIO provided the following documentation to GAO: <ul style="list-style-type: none"> Health assessment reviews since January 2014 for the programs under review (see above list). TechStats since January 2014 for the programs under review (see above list). Documentation of meetings or other evidence that demonstrates the Centers of Excellence have met with programs and provided remediation assistance.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
GAO reviewed post-implementation reviews documentation.	March – April 2014	July 2014	GAO reviewed documentation from eight investments: <ul style="list-style-type: none"> • ICE SEVIS • CBP ACE • USCIS Transformation • HRIT • FEMA Logistics Supply Chain Management • HSIN • ICE TECS MOD • CBP TACCOM



IT Management Outcome #6

Outcome Lead: Jeff Eisensmith

Outcome Executive: Jeanne Etzel

GAO Outcome: Enhance Information Technology (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 or external auditor based on *Federal Information Security Management Act of 2002 (FISMA)* reporting requirements.

GAO 2017 Outcome Rating



ACCOMPLISHMENTS

GAO rated this Outcome Mostly Addressed. Based on GAO’s feedback, it is the Department’s understanding that the only remaining action preventing a Fully Addressed rating is achieving and sustaining a downgrade of the Department’s material weakness in financial systems security to a significant deficiency for two consecutive years. DHS has implemented continuous monitoring of progress against the remediation work plan, identifying critical milestones, addressing audit risks, and reviewing mitigation strategies. DHS is continuing efforts to enhance the IT security of the Department’s internal systems and networks:

- Expanded the independent validation and verification program, a joint effort by the DHS Chief Information Officer’s (CIO) Chief Information Security Officer (CISO) and the Chief Financial Officer (CFO), to include the tracking of remediation of IT control weaknesses from the internal A-123 assessment and the Financial Statement Audit.¹⁴ Formal remediation discussions are held with DHS Components on a bi-weekly basis to monitor remediation and include progress on activities, identification of challenges, and identification of control weakness root causes. The primary focus of remediation is 22 high-impact, CFO-designated systems.
- Conducted quarterly Deputy Under Secretary for Management (DUSM) meetings with Component executive leadership, CIOs, and CISOs to track cybersecurity areas by DHS-established targets and, where necessary, remediation activities, resulting in marked improvement to the Department’s cybersecurity posture.
- Developed the FY 2017 DHS Information Security Performance Plan, which defined the performance requirements, priorities, and overall FISMA goals for the Department.
- Implemented an Information Security Continuous Monitoring (ISCM) plan for Secret and Top Secret systems. DHS Components are currently scored and metrics are calculated for National Security Systems (NSS) against ISCM guidance established by the DHS CIO. The CIO reports metrics on an NSS-specific Scorecard, giving greater visibility on the security posture of the NSS environment.

¹⁴ Office of Management and Budget, *Management’s Responsibility for Enterprise Risk Management and Internal Control*, OMB Circular A-123 (Washington, D.C.: July 15, 2016).



ACCOMPLISHMENTS

- Rolled out the new cybersecurity tool, Invincea, an endpoint protection tool that enhances security and reduces risk by detecting and blocking malware from the enterprise, as well as containing the impact of any phishing attack.
- Transitioned the DHS Enterprise Security Operations Center (ESOC) to the DHS CIO’s CISO in May 2014. Using the \$23M in FY 2015 funds allotted for hardware and software upgrades, the ESOC enhanced its monitoring and analyses of computer network defense data, recognition of trends across the DHS enterprise, and organization of incident response. As a result, the DHS CISO has gained a more comprehensive threat picture, which aids with decision making, information sharing, and process improvement efforts.
- Deployed a risk-informed model (i.e., DHS Cyber Maturity Model) to support and prioritize funding requests for the tools and staffing needed to address the most critical vulnerabilities and technology gaps for internal cybersecurity. As a result of data from this model, Congress appropriated \$100M above the combined FY 2016 Departmental CIO budget request to improve the Department’s cybersecurity posture. The risk-based model is being adapted by the Office of Management and Budget for use by departments and agencies across the Executive Branch.
- Leveraging the Cyber Maturity Model, DHS performed reviews in support of the FY 2018 budget request for cybersecurity:
 - Refreshed the model results and began work on version 2.0 that will allow further analyses based on classification of model components against the National Institute of Standards and Technology (NIST) Cybersecurity Framework, DHS threat categorization, and Department-wide cybersecurity improvement initiatives. DHS then selected the next group of critical gaps requiring resolution.
 - Identified needed incident response and cyber hygiene program improvements during examination of both DHS and public U.S. Government incidents. As a result, DHS added staff and technology improvements so that current and planned efforts would not be compromised. All of these efforts are designed to make DHS more resilient to cyber breaches and other future challenges.

PLAN TO FULLY ADDRESS OUTCOME

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Sustain “significant deficiency” status or less for two consecutive years (i.e., FY 2019 – FY 2020).	November 2020		Targeting a Fully Addressed rating.
Achieve “significant deficiency” status or less for FY 2019.	Q4 FY 2015	November 2019	A status of “significant deficiency” or less must be maintained for two consecutive years for this Outcome to be Fully Addressed.
Continue to oversee and assist Components in addressing IT deficiencies.	September 2015	Ongoing	Meet with Components monthly to review progress and provide guidance, as needed.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Oversee and assist Components in addressing deficiencies that contributed to the Department's material weakness in the IT security control and financial system functionality area to achieve a reduction to a significant deficiency by the independent auditors.	October 2015	Ongoing	Sustaining a Mostly Addressed rating. Existing, significant IT security control deficiencies must be remediated with no new, significant deficiencies identified during the FY 2015 Financial Statement Audit.
Complete actions to address six open recommendations contained in the Office of Inspector General's (OIG) FY 2016 FISMA report (OIG-17-24).	Q4 FY2017	Q4 FY2017	Corrective actions for the four recommendations are underway.
Complete actions to address six open recommendations contained in the OIG's FY 2015 FISMA report (OIG-16-08).	Q4 FY2016	Q4 FY2017	Four of the six recommendations have been addressed and closed. Corrective actions for the remaining recommendations are underway.
Complete actions to address six open recommendations contained in the OIG's FY 2014 FISMA report (OIG-15-16).	Q4 FY2015	Q4 FY2017	Four of the six recommendations have been addressed and closed. Corrective actions for the remaining recommendations are underway.



Acquisition Program Management Outcome #3

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

Outcome Executives:

Mark Dolan, Chairman, Joint Requirements Council
 Vincent DeLaurentis, Director, Joint Requirements Council
 Debra Cox, Executive Director, Office of Program Accountability and Risk Management
 Chip Fulghum, Acting Under Secretary for Management

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

GAO 2017 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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ACCOMPLISHMENTS

GAO rated this Outcome Mostly Addressed. DHS agrees with GAO’s assessment and continues to make substantial strides toward achieving a Fully Addressed rating. The Component-composed JRC is the executive body that governs the Department’s operational requirements process by generating, validating, and prioritizing capability gaps, needs, concepts of operations, and requirements. JRC validation is a critical step prior to investing in a capability. GAO found the JRC’s approach to be generally sound.¹⁵ The JRC provides many benefits to DHS, including:

- Providing comprehensive analytical assessment of operational needs and gaps across Components and the DHS enterprise, improving field operational effectiveness and efficiency;
- Addressing capability gaps and prioritizing operational requirements;
- Driving collaboration and integration across DHS; and
- Ensuring traceability between DHS and Component strategic priorities and operational capability.

Since it was established in 2014, the JRC has demonstrated significant progress:

- Analyzed and validated 63 requirements documents (as of January 2017); two-thirds were determined to be joint or multiple agency use.
- Trained 348 users in three operational requirements concepts: overview, advanced, and Knowledge Management/Decision Support (KM/DS) (as of January 2017).
- Championed the first-ever Chief Operating Officer forum (December 2016) focused on operational requirements. The forum was chaired by the Acting Deputy Secretary and attended by the senior operator from each DHS Operational Component.
- Facilitated U.S. Customs and Border Patrol (CBP) Office of Air and Marine and U.S. Border Patrol partnership to conduct land domain awareness, surveillance, detection, and cueing requirements capability assessment.
- Informed DHS enterprise investment processes as a key DHS Chief Operating Officer stakeholder, including Program and Budget Review and Acquisition Review Boards.

¹⁵ GAO, *Joint Requirements Council’s Initial Approach Is Generally Sound and It Is Developing a Process to Inform Investment Priorities*, GAO-17-171 (Washington, D.C.: October 24, 2016).



ACCOMPLISHMENTS
<ul style="list-style-type: none"> Standardized DHS cybersecurity requirements. Tailored Agile IT requirements approach to meet the Joint Requirements Integration and Management System (JRIMS) standard. Ensured operator-defined radiation detection requirements. Developed a plan of action for identifying screening and vetting requirements. Spearheaded the development of and validated the Joint Operational Requirements Document which improved previous Component-specific requirements for DHS maritime surveillance capability and strengthened the U. S. Coast Guard-CBP partnership.

PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for Change/Notes
Sustain effective operation of the JRC.	September 2018	Ongoing	Targeting a Fully Addressed rating. Completion of two-year cycle of JRIMS execution (beginning in September 2016; see Mostly Addressed action below). For this Outcome, GAO requires two years of sustainment before achieving a Fully Addressed rating.
Conduct training – JRIMS Overview, Core Concepts, and KM/DS.	Ongoing	Ongoing	To date, trained 348 users in operational requirements – JRIMS Overview, Core Concepts, and KM/DS.
Validate mission needs statements (MNS) and Operational Requirements documents for all Level 1 and 2 Master Acquisition Oversight List programs and submit endorsement (for or against) to the Deputy’s Management Action Group.	Ongoing	Ongoing	JRC has analyzed/validated 63 requirements documents. JRC identified and is reviewing 89 legacy MNS/Concept of Operations for JRIMS compliance.
Fully implement Capability Gap Analysis (CGA).	September 2018		The development/implementation of CGA is on a 3-year plan that started in 2016. The CGA will provide senior-level leadership a comprehensive view across DHS capability gaps and will inform key decisions and future investments.
Fully implement Joint Assessment of Requirements (JAR).	September 2018		The development/implementation of JAR is on a 3-year plan that started in 2016. The JAR will provide DHS leadership with an assessment to prioritize emerging requirements and existing program requirements.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for Change/Notes
Fully implement the joint information requirements information management requirements KM/DS Tool.	September 2016	June 2017	The KM/DS Tool is delivered. Department-wide JRIMS automation pends DHS IT architecture remedy for Component access.
Incorporate decisions from the JRC process to inform the FY 2018 Resource Allocation Decision (RAD).	September 2016	May 2017	The FY 2018 RAD links capability investments to operational requirements. Therefore, the JRC is impacting resource decisions.
Achieve full operating capability.	June 2016	September 2016	Targeting a Mostly Addressed Rating. The JRC has achieved full operating capability and is executing the JRIMS process. GAO advanced the rating for this Outcome to Mostly Addressed in the 2017 <i>High-Risk Series</i> .
Deliver the joint information requirements information management requirements KM/DS Tool.	May 2016	September 2016	KM/DS delivered.
Approve JRIMS Directives and Instruction manual.	January 2016	March and April 2016	The JRC/JRIMS Directive was signed on March 9, 2016 and the manual on April 21, 2016.
Incorporate decisions from the JRC process to inform the FY 2017 RAD.	September 2015	September 2015	The JRC informed the FY 2017 RAD.
Achieved initial operating capability.	July – August 2015	August 2015	The JRC has achieved initial operating capability, which is evidenced by the JRIMS process execution.
Approve JRC charter.	November 2014	November 2014	The charter was approved and signed by the DHS Deputy Secretary on November 16, 2014.



Acquisition Program Management Outcome #4

Outcome Lead: Dave Cotner

Outcome Executive: Debra Cox

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

GAO 2017 Outcome Rating



ACCOMPLISHMENTS

GAO rated this outcome Mostly Addressed. DHS agrees with this assessment and is implementing GAO's recommendations. The Department continues to make progress toward achieving a Fully Addressed rating, as evidenced by the following actions:

- Released Instruction on acquisition program management staffing, which provides requirements for acquisition programs to determine the required number of trained, qualified, and experienced acquisition program management staff needed to successfully execute the program. The Instruction requires programs to update and provide multi-year program staffing plans and incorporates Directive 102-05 requirements for Component Acquisition Executives to track, monitor, and provide quarterly status reports on the critical staffing gaps.
- Revised critical staffing gap tracking to include gaps in all acquisition-related positions that impact program execution and not just gaps in critical acquisition-related positions.
- Developed a draft multi-year program staffing plan template and worksheet to provide programs with the format to use in completing the annual staffing plan requirement. The Office of Program Accountability and Risk Management (PARM) will establish the annual staffing plan submittal schedule so that funding needs identified in staffing plans can be compared against Component budgets and resource allocation plan submissions to verify they are being addressed.
- Developed a draft Acquisition Program Management Guidebook to implement the Acquisition Program Management Staffing Instruction and provide specific details regarding processes, best practices, and tools used in determining the proper staffing for acquisition programs.
- Discuss staffing levels at the Acquisition Review Boards. If needed, an independent staffing assessment will be required as an acquisition decision memorandum action item.
- Coordinate the annual Program Management Awards. The fifth annual Program Management Awards ceremony will be held in June 2017. The Program Management Awards recognize outstanding performance in acquisition activities across the Department.
- Continued participation in each DHS Acquisition Program Management 350B Capstone program management certification course by providing instruction on the Department's acquisition processes and oversight responsibilities. Additionally, PARM makes representatives available at key points throughout the course to ensure students have access to acquisition experts.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Assess annual program staffing plan updates and quarterly critical staffing gap reports. Identify staffing issues and provide assistance to program in addressing staffing issues and gaps.	Ongoing	Ongoing	Sustaining a Fully Addressed rating.
Implement staffing Instruction to obtain program staffing plans and track changes in critical staffing gaps in DHS major acquisition programs to ensure critical staffing gaps are identified and are being addressed.	August 2017		Targeting a Fully Addressed rating. This action addresses a key GAO concern. ¹⁶
Analyze staffing gaps and mitigation strategies identified in the FY 2015 staffing plans and assess effectiveness of mitigation strategies and progress in filling staffing gaps.	August 2016	December 2016	
Review Component staffing plans and assess completeness and accuracy.	January 2016 – February 2016	May 2016	In October 2015, PARM requested FY 2015 staffing plans with a January 2016 deadline. PARM received and reviewed all staffing plans.
Analyze staffing gaps and mitigation strategies identified in the staffing plans, which address insufficient numbers of trained acquisition personnel.	April 2015	July 2015	Staffing plans and workforce planning data were submitted and analyzed for all Components, except one. PARM delivered the reports to leadership summarizing the identified deficiencies and gaps.
Review Component staffing plans and assess completeness and accuracy.	May 2014 – February 2015	February 2015	Targeting a Mostly Addressed rating. PARM reviewed all plans. Some staffing plan waivers were approved, due to specific program characteristics.

¹⁶ GAO, High-Risk Series, page 363.



Acquisition Program Management Outcome #5

Outcome Lead: Jeremy Dusina

Outcome Executive: Debra Cox

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

GAO 2017 Outcome Rating



ACCOMPLISHMENTS

GAO rated this Outcome as Partially Addressed. DHS has continued to make progress toward a Mostly Addressed rating by accomplishing the following:

- Conducted quarterly assessments using the improved Acquisition Program Health Assessment (APHA) that provides a more accurate picture of program performance.
- Continued monthly high-visibility program meetings to ensure that senior leadership, including the Acting Under Secretary for Management and DHS Chief Executive Officers, have a common understanding of acquisition programs’ status and key issues.
- Focused on sustaining progress on Fully Addressed GAO outcomes, ensuring that program documentation is approved, as required, for Acquisition Decision Events (ADEs)¹⁷ and establishing a new division within the Office of Program Accountability and Risk Management (PARM) to provide program support.
- Instituted Integrated Project Teams (IPT) within each Component. The IPTs focus on programmatic progress and risks, and provide a forum for information sharing within the program office and support offices. The IPTs include headquarters subject matter expert support, which leads to higher quality acquisition documents and reduced staffing time for approval. Additionally, IPTs are the preferred venue to share system development progress to date, systems engineering review status, risks to program success, and critically, receive real time headquarters feedback.
- Partnered with the DHS Office of the Chief Information Officer/Chief Technology Officer to stand up the Agile Acquisition Working Group (AAWG).
- Piloted Agile methodologies within five programs across the Acquisition Life Cycle Framework (ALF) in order to refine the ALF, and streamline how DHS oversight offices interact with and assist programs.¹⁸ The outcomes of the AAWG are anticipated to result in updates to both Directive 102-01-001 and the Information Technology Guidebook (102-01-004-01). Early accomplishments include:
 - Maturing the document review business processes;

¹⁷ A predetermined point within the acquisition phases at which the investment will undergo a review and obtain Acquisition Decision Authority approval prior to commencement of the next phase. See DHS Guidebook 102-01-003-01, DHS Acquisition Management Lexicon Guidebook, Appendix A.

¹⁸ The five programs are: FEMA’s Grants Management Modernization and National Flood Insurance Program Information Technology Phoenix, TSA’s Technology Infrastructure Modernization, ICE’s Student and Exchange Visitor Information System and USCIS’ Verification Modernization Program



ACCOMPLISHMENTS

- Completing initial development of a tool to further facilitate documentation reviews;
- Leading the development of core performance metrics for each pilot program from which to measure progress; and
- Facilitating cross-program sharing of lessons learned.
- Held 30 action-oriented Acquisition Review Boards (ARBs) in FY 2016, two more than in FY 2015, and conducted 12 ADEs that allowed programs to move into the next phase of the Acquisition Life Cycle. In the first quarter of FY 2017, the Department held 10 ARBs and conducted four ADEs.
- Expanded the use of program review ARBs, conducting 16 ARBs in FY 2016 and six in the first quarter of FY 2017. Program reviews occur between ADEs and provide the opportunity to update the ARB and Chief Acquisition Officer on the current status of programs. Results include identifying and documenting implications of baseline changes resulting from FY 2016 appropriations for a ninth National Security Cutter.
- Ensured that acquisition programs are affordable by requiring Components to validate (at each Acquisition Decision milestone) that programs are fully funded in future budgets.
- Established process for Components to submit annual cost estimates to ensure that credible and timely estimates are available to inform the budget process and evaluate performance against the acquisition baseline.
- Paused new development for U.S. Citizenship and Immigration Services Transformation while operational capabilities were stabilized and a revised acquisition strategy was developed.

PLAN TO FULLY ADDRESS OUTCOME

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Determine and implement metric to monitor and track program health.	December 2020		Targeting a Fully Addressed rating. This action includes monitoring and tracking programs using the APHA report.
Continue ensuring that major programs are in compliance with Directive 102-01 including providing affordability memoranda for ADEs.	December 2018		Targeting a Mostly Addressed rating. This action includes monitoring and tracking programs using the APHA report.
Demonstrate that all major programs are in compliance with policy documentation requirements.	December 2015	December 2015	All outstanding program documentation was completed as of December 2015. This is an ongoing action to ensure programs approved for an ADE have program documents.
Begin tracking program office health metrics.	August 2015	August 2015	This action includes metrics that demonstrate compliance related to staffing.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Begin tracking Department-level metrics.	August 2015	August 2015	This action includes metrics that demonstrate Component Acquisition Executives' compliance with the Department's processes and policies.
Establish program health metrics.	June 2015	June 2015	PARM also developed staffing metrics.
Establish Department-level metrics to demonstrate compliance with processes and policies.	June 2015	June 2015	
Begin tracking program metrics (i.e., cost, schedule, and performance).	May 2015	May 2015	This action will include metrics related to the Acquisition Program Baseline.
Review and update Directive 102-01-001, "Acquisition Management Instruction" to ensure language is updated to include the JRC.	April 2015	April 2015	PARM incorporated elements from the <i>Unity of Effort</i> initiative, such as the JRC. This Instruction was updated to include touch points to the JRC.
Review and update Directive 102-01 to ensure language is updated to include the JRC.	March 2015	March 2015	This action is to incorporate new entities and processes being developed under the <i>Unity of Effort</i> initiative, such as the JRC.
Establish cost, schedule, and performance metrics.	October 2014	February 2015	Established process to produce a quarterly Acquisition Metrics report.



Management Integration Outcome #1

Outcome Lead: Ann-Marie Watt

Outcome Executive: Michelle Benecke

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

GAO 2017 Outcome Rating

Initiated	Partially Addressed	Mostly Addressed	Fully Addressed
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ACCOMPLISHMENTS

GAO rated this Outcome Partially Addressed. DHS continues to make substantial progress on its Department-wide management integration efforts. The following accomplishments provide an overview of the Department's progress on advancing this Outcome to Mostly Addressed:

- This report is the 12th update to the original *Integrated Strategy*, developed to address GAO's high-risk designation.
- In February 2017, GAO rated 70% (21 of 30) of outcomes as either Fully Addressed or Mostly Addressed, a significant improvement compared to 47% (14 of 30) in 2015 and in 26% (8 of 31) in 2013.¹⁹ DHS continues to address GAO recommendations and implement corrective actions related to the outcomes.
- GAO reported that DHS has now met the majority of GAO's five criteria for removal from the High-Risk List, making DHS one of only four federal agencies to have achieved this milestone (see Chapter 1).²⁰
- Management Chief Executive Officers continue to report progress to the Acting Under Secretary for Management on GAO outcomes and supporting priorities (e.g., Management Directorate Integrated Priorities) at regular leadership meetings. This improves accountability and allows leaders to identify critical links between programs, determine capacity needs, better allocate resources, and share best practices.
- DHS sustained management reform initiatives, with leadership participation in the Senior Leaders Council, Deputy's Management Action Group, and the Joint Requirements Council, and through strengthened resource allocation and acquisition oversight and management processes.

PLAN TO FULLY ADDRESS OUTCOME

Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Continue to track GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	March and September 2022		Sustaining a Fully Addressed rating. DHS will publish two <i>Integrated Strategy</i> updates in 2022. DHS will transmit the final 2022 <i>Integrated Strategy</i> to GAO in August in order to inform the 2023 GAO <i>High-Risk Series</i> .
Continue to track GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	September 2021		DHS will publish its second <i>Integrated Strategy</i> update for 2021.

¹⁹ GAO reduced the total number of outcomes from 31 to 30 in March 2014, between the 2013 and 2015 High-Risk Series reports.

²⁰ GAO identified five criteria to be met to be eligible for removal from the High-Risk list: 1) Leadership Commitment, 2) Action Plans, 3) Monitoring, 4) Capacity, and; 5) Demonstrated Progress. DHS has "met" the first three criteria.



PLAN TO FULLY ADDRESS OUTCOME			
Actions	Projected Date	Actual/Adjusted Date(s)	Reason for change/notes
Engage GAO on the status of this Outcome upon transmission of the March 2021 DHS <i>Integrated Strategy</i> .	March 2021		Targeting a Fully Addressed rating. GAO reported that in order for DHS to achieve this Outcome, it needs to continue demonstrating sustainable progress integrating and strengthening its management functions and addressing the remaining outcomes that have yet to achieve a Fully Addressed rating. ²¹
Continue to track GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	September 2020		DHS will publish its second <i>Integrated Strategy</i> update for 2020.
Engage GAO on the status of this Outcome upon transmission of the March 2020 DHS <i>Integrated Strategy</i> .	March 2020		Targeting a Mostly Addressed rating. A Mostly Addressed rating indicates that progress is significant and a small amount of work remains. ²² By March 2020, DHS is seeking to achieve a Fully Addressed or Mostly Addressed rating for all GAO outcomes.
Continue to track GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	March and September 2019		DHS will publish two <i>Integrated Strategy</i> updates in 2019.
Continue to track GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	March and September 2018		DHS will publish two <i>Integrated Strategy</i> updates in 2018. DHS will transmit the final 2018 <i>Integrated Strategy</i> to GAO in September in order to inform the 2019 GAO <i>High-Risk Series</i> .
Continue to track GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	March and September 2017	March 2017 and TBD	DHS published its first 2017 <i>Integrated Strategy</i> update in March. The second update for 2017 is anticipated for September.
Fully Address or Mostly Address 70% of GAO outcomes (21 of 30).	February 2017	February 2017	GAO published its biannual <i>High-Risk Series</i> and rated DHS as having Fully Addressed or Mostly Addressed 21 of 30 GAO outcomes.
Continue to track GAO outcomes and publish the biannual <i>Integrated Strategy</i> .	January and August 2016	January and August 2016	DHS published the January and August 2016 updates to the <i>Integrated Strategy</i> .

²¹ GAO, *High Risk Series*, page 371.

²² *Ibid*, page 357.

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Appendix A

**GAO High-Risk Outcome
Rating Summary**



Appendix A

**GAO High-Risk Outcome
Rating Summary**

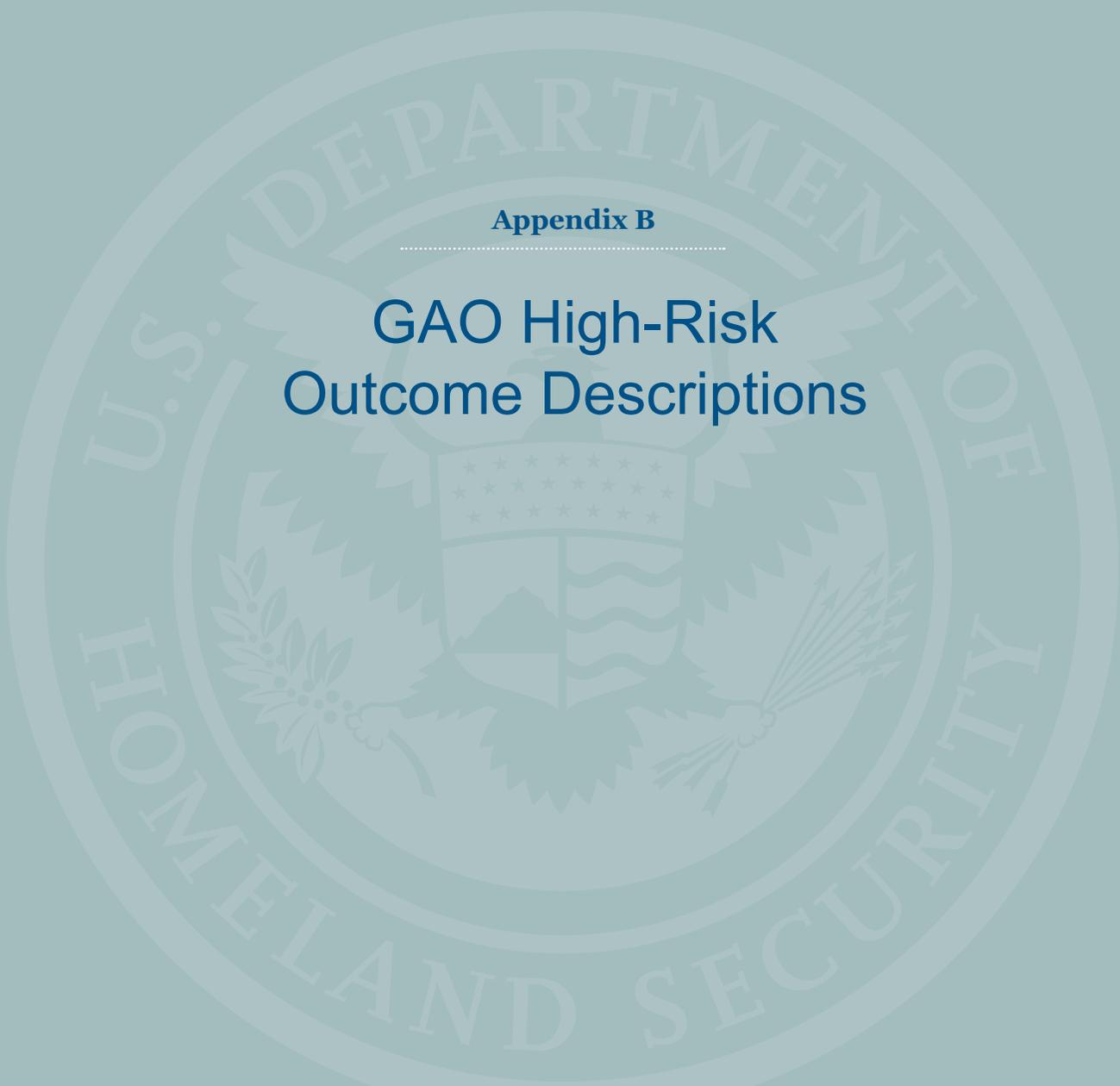


Functional Area	GAO Outcome	2015 GAO Ratings	2017 GAO Ratings
FM 1	Clean opinion on all financial statements	Fully Addressed	Fully Addressed
FM 2	Clean opinion on internal controls	Partially Addressed	Partially Addressed
FM 3	Clean opinions for two years	Fully Addressed	Fully Addressed
FM 4	Clean opinions for two years on internal controls	Initiated	Initiated
FM 5	Compliance with FFMA	Partially Addressed	Partially Addressed
FM 6	USCG Financial Systems Modernization	Partially Addressed	Partially Addressed
FM 7	FEMA Financial Systems Modernization	Initiated	Initiated
FM 8	ICE Financial Systems Modernization	Initiated	Initiated
HCM 1	Implement Human Capital Plan	Fully Addressed	Fully Addressed
HCM 2	Link workforce planning to other Department planning efforts	Partially Addressed	Fully Addressed
HCM 3	Enhance recruiting to meet current and long-term needs	Mostly Addressed	Fully Addressed
HCM 4	Base human capital decisions on competencies and performance	Mostly Addressed	Mostly Addressed
HCM 5	Seek employee input to strengthen human capital approaches	Partially Addressed	Mostly Addressed
HCM 6	Improve Federal Employee Viewpoint Survey Scores	Partially Addressed	Partially Addressed
HCM 7	Assess and improve training, education & development programs	Partially Addressed	Mostly Addressed
ITM 1	Achieve EAMFF Stage 4	Fully Addressed	Fully Addressed
ITM 2	Achieve ITIMF Stage 3	Fully Addressed	Fully Addressed
ITM 3	Achieve CMMI Level 2	Mostly Addressed	Fully Addressed
ITM 4	Implement IT Human Capital Plan	Mostly Addressed	Mostly Addressed
ITM 5	Adhere to IT Program Baselines	Partially Addressed	Mostly Addressed
ITM 6	Enhance IT Security	Mostly Addressed	Mostly Addressed
APM 1	Timely validate required acquisition documents	Partially Addressed	Fully Addressed
APM 2	Improve Component acquisition capabilities	Fully Addressed	Fully Addressed
APM 3	Establish and effectively operate the Joint Requirements Council to review and validate requirements for acquisition programs	Partially Addressed	Mostly Addressed
APM 4	Assess acquisition program staffing	Partially Addressed	Mostly Addressed
APM 5	Establish oversight mechanisms to validate that acquisition programs are achieving goals and comply with Department policies	Initiated	Partially Addressed
MI 1	Implement actions / outcomes in each LOB	Partially Addressed	Partially Addressed
MI 2	Revise MI strategy to address previous recommendations	Fully Addressed	Fully Addressed
MI 3	Establish performance measures to assess ongoing progress	Fully Addressed	Fully Addressed
MI 4	Promote Department-wide accountability through performance management system	Fully Addressed	Fully Addressed
Fully Addressed and Mostly Addressed GAO Outcomes		2015	2017
		14 (46%)	21 (70%)

Fully Addressed	Mostly Addressed	Rating increase from 2015
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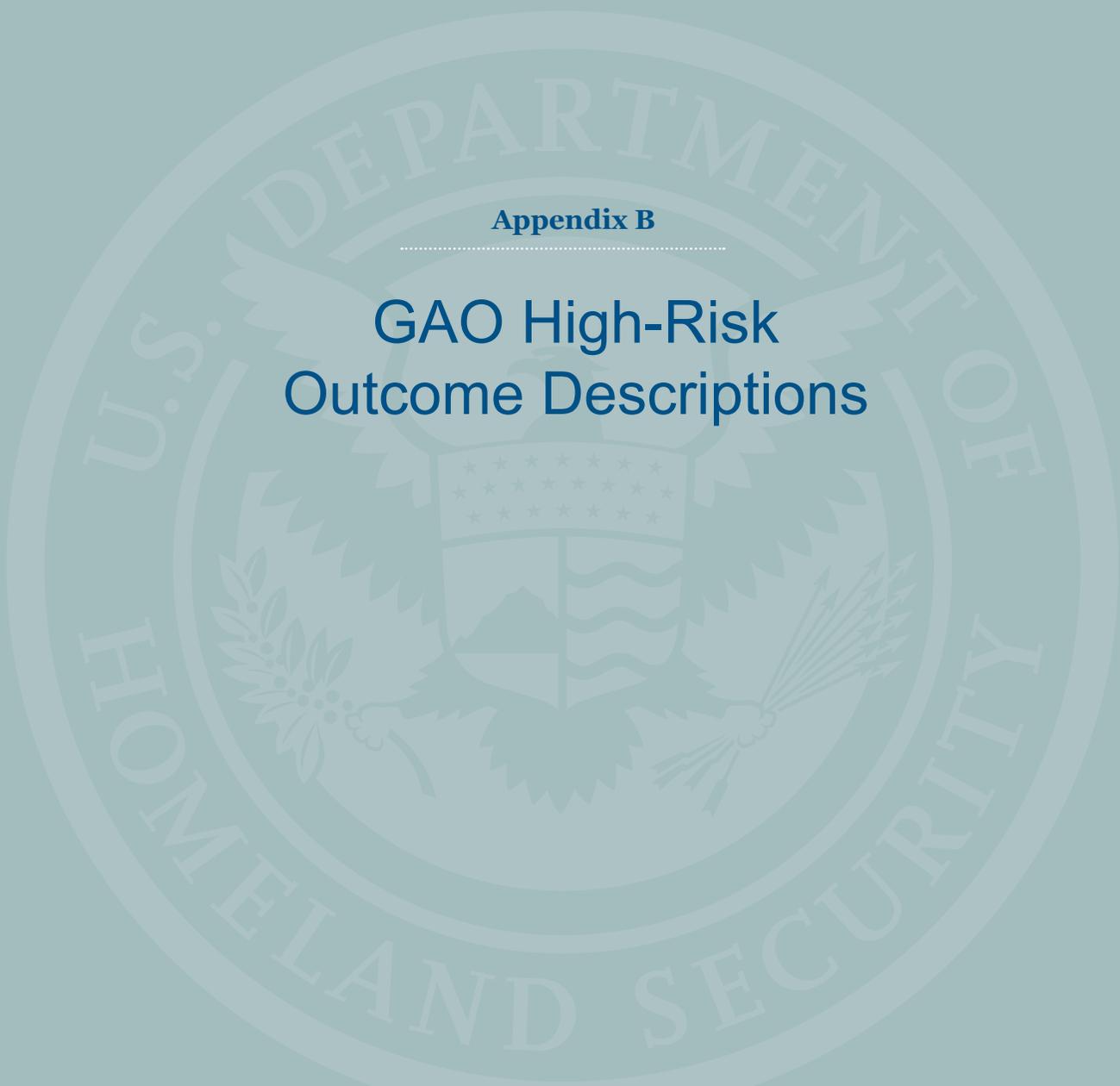
- GAO rates 21 of 30 (70%) of outcomes as Fully Addressed or Mostly Addressed, with 13 of 30 (43%) being Fully Addressed.
- Since February 2015, DHS has improved the ratings of 10 (33%) GAO outcomes, with all but one moving to Mostly Addressed or Fully Addressed.
- The majority of outcomes that remain Initiated or Partially Addressed, 66% (6 of 9), are under Financial Management, pertaining to *Federal Financial Management Improvement Act (FFMIA)* compliance, internal controls, and financial systems modernization (FSM) projects.

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Appendix B

**GAO High-Risk
Outcome Descriptions**



Appendix B

**GAO High-Risk
Outcome Descriptions**



This appendix contains descriptions for all 30 GAO outcomes. The language for each GAO outcome was agreed upon by GAO and DHS.

Financial Management (FM)

GAO Outcome	Outcome Description	GAO 2017 Rating
FM 1	Obtain an unmodified opinion on all basic financial statements, including the notes to the financial statements.	Fully Addressed
FM 2	Obtain an unqualified opinion on internal control over financial reporting to demonstrate effective internal controls.	Partially Addressed
FM 3	Sustain unmodified opinions for at least two consecutive years on Department-wide financial statements.	Fully Addressed
FM 4	Sustain unqualified opinions for at least two consecutive years on internal control over financial reporting.	Initiated
FM 5	Achieve substantial compliance with the <i>Federal Financial Management Improvement Act</i> of 1996, as reported annually by its independent auditors in accordance with the Act. ¹	Partially Addressed
FM 6	Effectively manage the implementation of a financial management system solution or modernization of existing systems for the U.S. Coast Guard and its customers by: <ul style="list-style-type: none"> Applying rigorous and disciplined IT acquisition management processes throughout the program/project lifecycle that are consistent with applicable practices identified in Level 2 of the Carnegie Mellon Software Engineering Institute's Capability Maturity Model® Integration. These steps will help to ensure that the systems meet expected capabilities/requirements and associated mission benefits. Implementing oversight mechanisms to monitor contractors or shared service providers selected to implement the solution or modernize the existing systems. These steps will help to ensure that actual cost, schedule and performance are within established threshold baselines, and variances are identified, tracked and addressed. 	Partially Addressed
FM 7	Effectively manage the implementation of a financial management system solution or modernization of existing systems for the Federal Emergency Management Agency by: <ul style="list-style-type: none"> Applying rigorous and disciplined IT acquisition management processes throughout the program/project lifecycle that are consistent with applicable practices identified in Level 2 of the Carnegie Mellon Software Engineering Institute's Capability Maturity Model® Integration. These steps will to help ensure that the systems meet expected capabilities/requirements and associated mission benefits. Implementing oversight mechanisms to monitor contractors or shared service providers selected to implement the solution or modernize the existing systems. These steps will help ensure that actual cost, schedule and performance are within established threshold baselines, and variances are identified, tracked, and addressed. 	Initiated
FM 8	Effectively manage the implementation of a financial management system solution or modernization of existing systems for the U.S. Immigration and Customs Enforcement and its customers by: <ul style="list-style-type: none"> Applying rigorous and disciplined IT acquisition management processes throughout the program/project lifecycle that are consistent with applicable practices identified in Level 2 	Initiated

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



Financial Management (FM)

GAO Outcome	Outcome Description	GAO 2017 Rating
	<p>of the Carnegie Mellon Software Engineering Institute’s Capability Maturity Model® Integration. These steps will help to ensure the systems meet expected capabilities/requirements and associated mission benefits.</p> <ul style="list-style-type: none"> Implementing oversight mechanisms to monitor contractors or shared service providers selected to implement the solution or modernize the existing systems. These steps will help ensure that actual cost, schedule and performance are within established threshold baselines, and variances are identified, tracked and addressed. 	

Human Capital Management (HCM)

GAO Outcome	Outcome Description	GAO 2017 Rating
HCM 1	Develop and demonstrate sustained progress in implementing a results-oriented strategic human capital plan that identifies the Department’s goals, objectives, and performance measures for strategic human capital management that is linked to the Department’s overall strategic plan. Strategic human capital planning that is integrated with broader organizational strategic planning is critical to ensuring that agencies have the talent and skill mix they need to address their human capital challenges.	Fully Addressed
HCM 2	Link workforce planning efforts to strategic and program-specific planning efforts to identify current and future human capital needs. This includes 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 also 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. As a result, decisions involving human capital management and its link to agency results would be informed by complete, valid and reliable data.	Fully Addressed
HCM 3	Recruiting and Outreach Strategy – Develop and demonstrate sustained progress in implementing a recruiting 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.	Fully Addressed
HCM 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. This includes linking individuals' performance plans and evaluations to the agency's overall plans and performance to create a "line of sight" between individual performance and agency success.	Mostly Addressed
HCM 5	Employee Input – Seek employees' input on a periodic basis and demonstrate measurable progress in implementing strategies to adjust human capital approaches. Input could be collected through employee satisfaction surveys, focus groups, or employee advisory councils, or by including employees on task forces.	Mostly Addressed
HCM 6	Federal Employee Viewpoint Survey (FEVS) – Improve the Department’s scores on the Office of Personnel Management's FEVS 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.	Partially Addressed

Fully Addressed Outcome (not covered in this report)

Mostly Addressed Outcome



Human Capital Management (HCM)

GAO Outcome	Outcome Description	GAO 2017 Rating
HCM 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. This includes making demonstrated, sustained progress in implementing and assessing a formal training and development strategy, providing formal and on-the-job training opportunities, supporting individual development plans, developing rotational assignments and opportunities, and allowing for formal and informal mentoring relationships among employees and managers.	Mostly Addressed

Information Technology Management (ITM)

GAO Outcome	Outcome Description	GAO 2017 Rating
ITM 1	Demonstrate through an independent assessment that DHS has achieved Stage 4 of GAO's Enterprise Architecture Management Maturity Framework (EAMMF) Version 2.0.	Fully Addressed
ITM 2	Information Technology Investment Management Framework Stage 3 – Establish and implement IT investment management practices that have been assessed as having satisfied the capabilities associated with Stage 3 of GAO's Information Technology Investment Management Framework.	Fully Addressed
ITM 3	For major IT system acquisitions, establish and implement system acquisition management processes that have been assessed as satisfying those requirements associated with Level 2 of Carnegie Mellon Software Engineering Institute's Capability Maturity Model Integration.	Fully Addressed
ITM 4	Implement IT Human Capital Plan – In the first quarter of FY 2016, GAO and DHS agreed to update the Outcome language to: "Demonstrate progress in establishing and implementing strategic IT human capital planning goals necessary to support the Department's IT Strategic Plan for FY 2015 – 2018."	Mostly Addressed
ITM 5	Adhere to Program Baselines – Demonstrate improvement in cost, schedule, and performance for troubled IT investments.	Mostly Addressed
ITM 6	Enhance IT Security – Establish enhanced security of the Department's internal IT systems and networks as evidenced by: <ul style="list-style-type: none"> a) Demonstrating measurable progress in achieving effective information system controls by downgrading the Department's material weakness in financial systems security to a significant deficiency for two consecutive years. In addition to reducing the deficiencies that contribute to the significant deficiency, as reported by the independent auditors of the Department's financial statements. b) Implementing the federal desktop core configuration on applicable devices and instances across Components, as determined by an independent assessment. c) Promptly developing remedial action plans and demonstrating sustained progress in mitigating known vulnerabilities, based on risk, as determined by an independent assessment. d) Implementing key security controls and activities, as independently assessed by the Office of the Inspector General or external auditor based on Federal Information Security Management Act of 2002 reporting requirements. 	Mostly Addressed



Acquisition Program Management (APM)

GAO Outcome	Outcome Description	GAO 2017 Rating
APM 1	Review of Acquisition Documentation – Validate required acquisition documents in a timely manner at major milestones, including lifecycle cost estimates, in accordance with a Department-approved, knowledge-based acquisition process. Lifecycle costs include all resources and associated cost elements required to develop, produce, deploy, and sustain a particular program from initial concept through operations, support, and disposal. The development, review, and approval of acquisition documents minimizes the risk of poorly defined requirements and plans negatively affecting program performance.	Fully Addressed
APM2	Component Acquisition Capabilities – Establish sufficient Component-level acquisition capability for Component Acquisition Executives, policies, and procedures that is consistent with a knowledge-based acquisition process. Staff levels should be commensurate with the size of the Components’ acquisition portfolios. All Components should have an effective process to manage major investments consistent with Departmental policies and a mechanism to ensure investments comply with established Component and Departmental investment review policy standards.	Fully Addressed
APM 3	Joint Requirements Council – Establish and effectively operate the required Joint Requirements Council (JRC), or equivalent governing body, to review and validate Component-driven capability requirements that drive non-material and acquisition programs Department-wide and identify and eliminate any unintended redundancies. The JRC, or equivalent governing body, would help DHS inform its annual budget process for funding major programs and reduce the occurrence of major programs receiving funding without validation of requirements.	Mostly Addressed
APM 4	Trained Acquisition Personnel – Assess and address sufficient numbers of trained acquisition personnel are in place at the Department and Component levels. Lack of adequate staff, both in terms of skills and staffing levels, increases the risk of insufficient program planning and contractor oversight, and has been associated with negative cost and schedule outcomes in major acquisition programs. These findings emphasize the importance of sufficient and experienced staff for successful acquisition outcomes.	Mostly Addressed
APM 5	Acquisition Process Compliance – Establish and demonstrate measurable progress in achieving goals that improve program compliance with the Department’s established processes and policies. This includes specific metrics for tracking conformance with the Department’s established methodologies as well as metrics for cost, schedule, and performance measured against DHS-approved baselines. For major acquisitions, demonstrate that actual cost and schedule performance for major acquisitions is within established threshold baselines, and that baselined system capabilities/requirements and associated mission benefits have been achieved. Program cost, schedule, and performance, as well as changes in these factors over time, can provide useful indicators of the health of acquisition programs. When assessed regularly for changes and the reasons for the changes, such indicators can be valuable tools for improving insight and oversight of individual programs and total portfolios of major acquisitions.	Partially Addressed

Fully Addressed Outcome
(not covered in this report)

Mostly Addressed Outcome



Management Integration (MI)

GAO Outcome	Outcome Description	GAO 2017 Rating
MI 1	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.	Partially Addressed
MI 2	<p>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 timelines needed for accomplishing the integration effort. The characteristics we recommended in 2005 include:</p> <ul style="list-style-type: none"> • Look across the initiatives within each of the management functional units to identify the roles and responsibilities of 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 timeline to monitor the progress of these initiatives to ensure the necessary links occur when needed. • Identify potential efficiencies, and ensure that they are achieved. 	Fully Addressed
MI 3	Establish performance measures to assess progress made in achieving DHS-wide management integration. These measures should be based upon the goals and timelines and should allow assessment of progress in achieving both horizontal and vertical integration.	Fully Addressed
MI 4	<p>Accountability for Management Integration – Implement mechanisms to promote accountability for management integration among Department and Component management chiefs by having:</p> <ul style="list-style-type: none"> • 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 functions. 	Fully Addressed

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Appendix C

Integrated Priority Areas

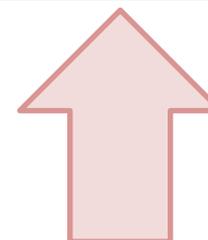
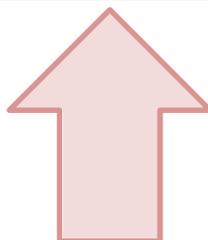
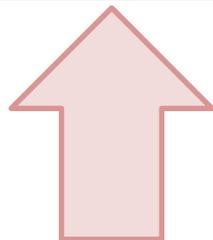


Appendix C

Integrated Priority Areas



<p align="center"><u>Integrated Priority 1</u></p> <p>Strengthen Resource Allocation and Reporting Reliability</p> <p>Lead: CFO Co-Lead: CRSO</p> <p>1.1 Resource allocation by mission area</p> <p>1.2 Common Appropriations Structure</p> <p>1.3 Modernize financial systems</p> <p>1.4 Obtain “Clean” audits and reduce material weaknesses</p> <p>1.5 Consolidate the DHS footprint</p>	<p align="center"><u>Integrated Priority 2</u></p> <p>Enhance Delivery of Mission Support Capability through Acquisition Excellence</p> <p>Lead: CPO Co-Lead: PARM</p> <p>2.1 Mission-focused procurement solutions</p> <p>2.2 Action-oriented communication with stakeholders</p> <p>2.3 Effective policy and proactive oversight</p>	<p align="center"><u>Integrated Priority 3</u></p> <p>Develop and Deploy Secure Technology Solutions</p> <p>Lead: CIO Co-Lead: CPO</p> <p>3.1 “Gold Standard” for Department-wide Cybersecurity</p> <p>3.2 Innovative and <i>Agile</i> technology solutions</p> <p>3.3 Reliable technology infrastructure</p>	<p align="center"><u>Integrated Priority 4</u></p> <p>Recruit, Retain, and Develop Talent</p> <p>Lead: CHCO Co-Lead: CSO</p> <p>4.1 Cybersecurity and technology workforce</p> <p>4.2 Efficient and effective end-to-end hiring process</p> <p>4.3 Employee engagement and workforce development</p>
<p>Strategic Communications, Legislative Coordination, GAO High Risk</p>			



FOUNDATIONAL PRIORITY

Cement Unity of Effort reforms in policies and sustainable procedures