DEPARTMENT OF HOMELAND SECURITY

Progress Made in Implementation and Transformation of Management Functions, but More Work Remains

What GAO Found

DHS has made progress in implementing its management functions, but additional actions are needed to strengthen DHS's efforts in these areas.

- DHS has revised its acquisition management oversight policies, and its senior-level Acquisition Review Board reviewed 24 major acquisition programs in fiscal years 2008 and 2009. However, more than 40 major programs had not been reviewed, and DHS does not yet have accurate cost estimates for most of its major programs.
- DHS has undertaken efforts to establish information technology management controls and capabilities, but its progress has been uneven and major information technology programs, such as the SBnet virtual fence, have not met capability, benefit, cost, and schedule expectations.
- DHS has developed corrective action plans to address its financial management weaknesses. However, DHS has been unable to obtain an unqualified audit opinion on its financial statements, and for fiscal year 2009, the independent auditor identified six material weaknesses in DHS’s internal controls. Further, DHS has not yet implemented a consolidated departmentwide financial management system.
- DHS has issued plans for strategic human capital management and employee development. Further, its scores on the Partnership for Public Service’s 2010 rankings of Best Places to Work in the Federal Government improved from prior years, yet DHS was ranked 28 out of 32 agencies on scores for employee satisfaction and commitment.

DHS has also taken action to integrate its management functions by, for example, establishing common policies within management functions. The Implementing Recommendations of the 9/11 Commission Act of 2007 required DHS to develop a strategy for management integration. In a 2005 report GAO recommended that a management integration strategy contain priorities and goals. DHS developed an initial plan in February 2010 that identified seven initiatives for achieving management integration. While a step in the right direction, among other things, the plan lacked details on how the initiatives contributed to departmentwide management integration. DHS is working to enhance its management integration plan, which GAO will review as part of the 2011 high-risk update. DHS also has not yet developed performance measures to fully assess its progress in integrating management functions.

Since GAO first designated DHS’s transformation as high risk, DHS has made progress in transforming into a fully functioning department. However, it has not yet fully addressed its transformation, management, and mission challenges, such as implementing effective management policies and deploying capabilities to secure the border and other sectors. In 2009 GAO reported that DHS had developed a strategy for managing its high-risk areas and corrective action plans to address its management challenges. While these documents identified some root causes and corrective actions, GAO reported that they could be improved by DHS identifying resources needed for implementing corrective actions and measures for assessing progress.

Why GAO Did This Study

Since 2003, GAO has designated implementing and transforming the Department of Homeland Security (DHS) as high risk because DHS had to transform 22 agencies—several with significant management challenges—into one department, and failure to effectively address its mission and management risks could have serious consequences for national and economic security. This high-risk area includes challenges in management functional areas, including acquisition, information technology, financial, and human capital management; the impact of those challenges on mission implementation; and management integration. GAO has reported that DHS’s transformation is a significant effort that will take years to achieve. This testimony discusses DHS’s progress and actions remaining in (1) implementing its management functions; (2) integrating those functions and strengthening performance measurement; and (3) addressing GAO’s high-risk designation. This testimony is based on GAO’s prior reports on DHS transformation and management issues and updated information on these issues obtained from December 2009 through September 2010.

What GAO Recommends

This testimony contains no new recommendations. GAO has made over 100 recommendations to DHS since 2003 to strengthen its management and integration efforts. DHS has implemented many of these recommendations and is in the process of implementing others.

View GAO-10-911T or key components. For more information, contact Cathleen A. Berrick at (202) 512-3404 or berrickc@gao.gov.