



INFORMATION TECHNOLOGY

DHS Needs to Enhance Management of Major Investments

Highlights of [GAO-13-478T](#), a testimony before the Subcommittee on Oversight and Management Efficiency, Committee on Homeland Security, House of Representatives

Why GAO Did This Study

DHS has responsibility for the development and operation of the IT systems for the agencies and offices under its jurisdiction that are key to, among other things, securing the nation's borders and enforcing immigration laws. DHS reported having 363 such IT investments. Of these investments, 68—with budgeted annual costs of about \$4 billion—were under development and classified by DHS as a “major” investment requiring special management attention because of its mission importance.

GAO was asked to testify on the progress DHS has made and challenges it faces in meeting cost and schedule commitments for its major IT investments, including those for Customs and Border Protection, Immigration and Customs Enforcement, and U.S. Citizenship and Immigration Services. Specifically, GAO was asked to focus on its September 2012 report that determined (1) the extent to which DHS investments are meeting their cost and schedule commitments, (2) the primary causes of any commitment shortfalls, and (3) the adequacy of DHS's efforts to address these shortfalls and their associated causes.

What GAO Recommended

In its report, GAO recommended that the Secretary of Homeland Security direct the appropriate officials to address guidance shortcomings and develop corrective actions for all major IT investment projects having cost and schedule shortfalls. In commenting on a draft of the report, DHS concurred with GAO's recommendations.

View [GAO-13-478T](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.

What GAO Found

Approximately two-thirds of the Department of Homeland Security's (DHS) major IT investments were meeting their cost and schedule commitments. Specifically, out of 68 major IT investments in development, 47 were meeting cost and schedule commitments. The remaining 21—which DHS had estimated to cost about \$1 billion—had one or more subsidiary projects that were not meeting cost and/or schedule commitments (i.e., they exceeded their goals by at least 10 percent, which is the level at which the Office of Management and Budget (OMB) considers projects to be at increased risk of not being able to deliver planned capabilities on time and within budget.)

The primary causes for the cost and schedule shortfalls were (in descending order of frequency):

- inaccurate preliminary cost and schedule estimates,
- technical issues in the development phase,
- changes in agency priorities,
- lack of understanding of user requirements, and
- dependencies on other investments that had schedule shortfalls.

Eight of the investments had inaccurate cost and schedule estimates. For example, DHS's Critical Infrastructure Technology investment had a project where actual costs were about 16 percent over the estimated cost, due in part to project staff not fully validating cost estimates before proceeding with the project. In addition, six investments had technical issues in the development phase that caused cost or schedule slippages. For example, DHS's Land Border Integration investment had problems with wireless interference at certain sites during deployment of handheld devices used for scanning license plates, which caused a project to be more than 2 months' late.

DHS often did not adequately address cost and schedule shortfalls and their causes. GAO's investment management framework calls for agencies to develop and document corrective efforts to address underperforming investments and DHS policy requires documented corrective efforts when investments experience cost or schedule variances. Although 12 of the 21 investments with shortfalls had defined and documented corrective efforts, the remaining 9 had not. Officials responsible for 3 of the 9 investments said they took corrective efforts but were unable to provide plans or any other related documentation showing such action had been taken. Officials for the other 6 investments cited criteria in DHS's policy that excluded their investments from the requirement to document corrective efforts. This practice is inconsistent with the direction of OMB guidance and related best practices that stress developing and documenting corrective efforts to address problems in such circumstances. Until DHS addresses its guidance shortcomings and ensures each of these underperforming investments has defined and documented corrective efforts, these investments are at risk of continued cost and schedule shortfalls.