

GAO Highlights

Highlights of [GAO-13-846T](#), a testimony before the Subcommittee on Oversight and Management Efficiency, Committee on Homeland Security, House of Representatives

Why GAO Did This Study

GAO has highlighted DHS acquisition management issues on its high-risk list, and over the past several years, GAO's work has identified significant shortcomings in the department's ability to manage an expanding portfolio of major acquisitions. It is important for DHS to address these shortcomings because the department invests extensively in acquisition programs to help it execute its many critical missions. DHS is acquiring systems to help secure the border, increase marine safety, enhance cyber security, and execute a wide variety of other operations. In 2011, DHS reported to Congress that it planned to ultimately invest \$167 billion in its major acquisition programs. In fiscal year 2013 alone, DHS reported it was investing more than \$9.6 billion.

This statement discusses (1) DHS's acquisition policy and how it has been implemented; and (2) DHS's mechanisms for managing emerging affordability issues. The statement is based on GAO's prior work on DHS acquisition management and leading commercial companies' knowledge-based approach to managing their large investments. It also reflects observations from ongoing work for this subcommittee. For that work, GAO is reviewing key documentation, and interviewing headquarters and component level acquisition and financial management officials.

What GAO Recommends

GAO is not making any new recommendations in this statement. It has made numerous recommendations in its prior work to strengthen acquisition management, and DHS is taking steps to address them.

View [GAO-13-846T](#). For more information, contact Michele Mackin at (202) 512-4841 or mackinm@gao.gov.

HOMELAND SECURITY

Observations on DHS's Oversight of Major Acquisitions and Efforts to Match Resources to Needs

What GAO Found

GAO has previously established that the Department of Homeland Security's (DHS) acquisition policy reflects many sound program management practices intended to mitigate the risks of cost growth and schedule slips. The policy largely reflects the knowledge-based approach used by leading commercial firms, which do not pursue major investments without demonstrating, at critical milestones, that their products are likely to meet cost, schedule, and performance objectives. DHS policy requires that important acquisition documents be in place and approved before programs are executed. For example, one key document is an acquisition program baseline, which outlines a program's expected cost, schedule, and the capabilities to be delivered to the end user. However, in September 2012, GAO found that the department did not implement the policy consistently, and that only 4 of 66 programs had all of the required documents approved in accordance with DHS's policy. GAO made five recommendations, which DHS concurred with, identifying actions DHS should take to mitigate the risk of poor acquisition outcomes and strengthen management activities. Further, GAO reported that the lack of reliable performance data hindered DHS and congressional oversight of the department's major programs. Officials explained that DHS's culture had emphasized the need to rapidly execute missions more than sound acquisition management practices. GAO also reported that most of the department's major programs cost more than expected, took longer to deploy than planned, or delivered less capability than promised. DHS has taken steps to improve acquisition management, but as part of its ongoing work, GAO found that DHS recently waived documentation requirements for 42 programs fielded for operational use since 2008. DHS explained it would be cost prohibitive and inefficient to recreate documentation for previous acquisition phases. GAO plans to obtain more information on this decision and its effect on the management of DHS's major acquisitions. DHS's July 2013 status assessment indicated that, as of the end of fiscal year 2012, many major programs still face cost and schedule shortfalls. DHS expects to provide another update in the near future.

In December 2012, DHS's Chief Financial Officer reported that the department faced a 30 percent gap between expected funding requirements for major acquisition programs and available resources. DHS has efforts underway to develop a more disciplined and strategic approach to managing its portfolio of major investments, but the department has not yet developed certain policies and processes that could help address its affordability issues. In September 2012, GAO reported that DHS largely made investment decisions on a program-by-program and component-by-component basis and did not have a process to systematically prioritize its major investments. In GAO's work at the Department of Defense, it has found this approach hinders efforts to achieve a balanced mix of programs that are affordable and feasible and that provide the greatest return on investment. DHS's proposed Integrated Investment Life Cycle Model (IILCM) is intended to improve portfolio management by ensuring mission needs drive investment decisions. For example, a high-level oversight body would identify potential trade-offs among DHS's component agencies. GAO has recommended such an oversight body for several years. Full implementation of the IILCM may be several years away. GAO will continue to assess the department's progress in its ongoing work.