

GAO Highlights

Highlights of [GAO-16-443](#), a report to congressional requesters.

Why GAO Did This Study

The uncertain budgetary environment highlights the need for DHS to effectively manage and oversee billions of dollars in fees and other collections from users of homeland security program services. Each DHS component is responsible for administering, managing, and reviewing their respective programs to ensure that, consistent with law and policy, rates charged to users of program services are set to collect amounts sufficient to recover program costs and ensure efficient operations, but not in excess of operational needs.

GAO was asked to review DHS's management and oversight of these programs. This report examines the extent to which (1) DHS components receive fees and other collections to recover program costs and manage any differences, as appropriate; (2) DHS components have processes in place to manage unobligated balances; and (3) DHS ensures components review their programs and monitors component action to address any management and operational deficiencies.

GAO analyzed DHS financial information for 38 programs receiving fees and other collections in fiscal year 2014, examined DHS fee reviews and study results, and interviewed agency officials.

What GAO Recommends

GAO recommends that DHS ensure components document processes for managing differences in collections and costs, establish balance targets, and conduct program reviews and address identified deficiencies. DHS concurred with the recommendations.

View [GAO-16-443](#). For more information, contact Andrew Von Ah at (213) 830-1011 or vonaha@gao.gov.

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DHS MANAGEMENT

Enhanced Oversight Could Better Ensure Programs Receiving Fees and Other Collections Use Funds Efficiently

What GAO Found

The Department of Homeland Security (DHS) received \$15 billion in fees and other collections across 38 programs in fiscal year 2014 that help fund homeland security functions, such as the screening and inspection of persons and goods entering the United States. Our analysis of DHS collections and cost data showed that 14 of the 38 programs receiving fees and other collections in fiscal year 2014 collected amounts that fully covered identified program costs. Of the remaining 24 programs, collections for 20 programs partially covered identified program costs, and DHS did not provide cost data, or we determined such data may not be reliable, for 4 programs. DHS components have taken action to address the estimated \$6 billion difference between collections and identified program costs, with 6 programs comprising about 85 percent of the difference. However, components did not document processes for managing differences and making decisions on how to address the estimated \$726 million difference across the 10 remaining programs. Such documentation of processes and decisions could help improve transparency and accountability over cost recovery efforts.

DHS components have processes in place to manage unobligated balances carried over across fiscal years for 25 programs, with such balances totaling \$2.6 billion at fiscal year-end 2014. These processes generally focused on ensuring continuity of program operations rather than efficiently using funds. For example, while components established targets for minimum balances for 21 of these 25 programs, none of the components established processes and related maximum targets to manage excessive unobligated carryover balances. Establishing such management processes and targets for minimum and maximum balances would enable components to show that management actions will be sufficient and appropriate to ensure the efficient use of funds—such as the Immigration Examinations Fee Account, which had an approximately \$983 million unobligated balance as of fiscal year end 2014, and the User Fee Facility program account for small airports which has an unobligated balance of \$14 million that has exceeded 100 percent of total operating costs each year from fiscal year 2010 through fiscal year 2014.

DHS does not ensure that all components review their programs or monitor component actions to address management and operational deficiencies identified in those reviews. GAO found that three of the seven DHS components that have fee or other collection programs did not conduct such reviews for 6 of their programs, and that components had not taken recommended actions to address 9 of 20 deficiencies identified through program reviews as of fiscal year-end 2014. Further, DHS did not report the extent to which components are conducting such reviews or any proposals to address identified management and operational deficiencies. DHS oversight to ensure that components complete these reviews and report the results for all programs would enable Congress and others to receive information necessary to better ensure that fee and other collection programs are operating effectively and efficiently.