May 2018

HOMELAND SECURITY ACQUISITIONS

Leveraging Programs' Results Could Further DHS's Progress to Improve Portfolio Management

GAO Highlights

Highlights of GAO-18-339SP, a report to congressional committees

Why GAO Did This Study

Each year, the DHS invests billions of dollars in a diverse portfolio of major acquisition programs to help execute its many critical missions. DHS's acquisition activities are on GAO's High Risk List, in part, because of management and funding issues.

The Explanatory Statement accompanying the DHS Appropriations Act, 2015 included a provision for GAO to review DHS's major acquisitions. This report, GAO's fourth annual review, assesses the extent to which: (1) DHS's major acquisition programs are on track to meet their schedule and cost goals, and (2) DHS has taken actions to enhance its policies and processes to better reflect key practices for effectively managing a portfolio of investments.

GAO reviewed 28 acquisition programs, including DHS's largest programs that were in the process of obtaining new capabilities as of April 2017, and programs GAO or DHS identified as at risk of poor outcomes. GAO assessed cost and schedule progress against baselines, assessed DHS's policies and processes against GAO's key portfolio management practices, and met with relevant DHS officials.

What GAO Recommends

GAO recommends DHS update its acquisition policy to require certification of fund memorandums when programs re-baseline as a result of a breach and assess programs' post-implementation reviews to improve performance across the acquisition portfolio. DHS concurred with GAO's recommendations.

View GAO-18-339SP. For more information, contact Marie A. Mak at (202) 512-4841 or makm@gao.gov.

What GAO Found

During 2017, 10 of the Department of Homeland Security (DHS) programs GAO assessed that had approved schedule and cost goals were on track to meet those goals. GAO reviewed 28 programs in total, 4 of which were new programs that GAO did not assess because they did not establish cost and schedule goals before the end of calendar year 2017 as planned. The table shows the status of the 24 programs GAO assessed. Reasons for schedule delays or cost increases included technical challenges, changes in requirements, and external factors.

GAO's Assessment of 24 DHS Major Acquisition Programs during 2017

Programs on track to meet schedule and cost goals	Programs with schedule delays	Programs with cost increases	Programs with schedule delays and cost increases
10	6	2	6

Source: GAO analysis of Department of Homeland Security (DHS) data. | GAO-18-339SP.

Recent enhancements to DHS's acquisition management, resource allocation, and requirements policies largely reflect key portfolio management practices (see table). However, DHS is in the early stages of implementing these policies.

GAO's Assessment of DHS Policies for Acquisition Management, Resource Allocation, and Requirements against Key Portfolio Management Practices

Key portfolio management practice	GAO's assessment
Clearly define and empower leadership	Met
Establish standard assessment criteria and demonstrate comprehensive portfolio knowledge	Met
Prioritize investments by integrating the requirements, acquisition, and budget processes	Met
Continually make go/no-go decisions to rebalance the portfolio	Partially met

Source: GAO analysis of Department of Homeland Security (DHS) data. | GAO-18-339SP.

GAO identified two areas where DHS could strengthen its portfolio management policies and implementation efforts:

- DHS's policies do not reflect the key practice to reassess a program that breaches—or exceeds—its cost, schedule, or performance goals in the context of the portfolio to ensure it is still relevant or affordable. Acquisition management officials said that, in practice, they do so based on a certification of funds memorandum—a tool GAO has found to be effective for DHS leadership to assess program affordability—submitted by the component when one of its programs re-baselines in response to a breach. Documenting this practice in policy would help ensure DHS makes strategic investment decisions within its limited budget.
- DHS is not leveraging information gathered from reviews once programs complete implementation to manage its portfolio of active acquisition programs. DHS's acquisition policy requires programs to conduct post-implementation reviews after initial capabilities are deployed, which is in line with GAO's key practices. Acquisition management officials said they do not consider the results of these reviews in managing DHS's portfolio because the reviews are typically conducted after oversight for a program shifts to the components. Leveraging these results across DHS could enable DHS to address potential issues that may contribute to poor outcomes, such as schedule slips and cost growth, for other programs in its acquisition portfolio.