



Highlights of [GAO-08-646T](#), a testimony before the Subcommittee on Management, Investigations, and Oversight, Committee on Homeland Security, House of Representatives

Why GAO Did This Study

The Department of Homeland Security (DHS) began operations in March 2003 with missions that include preventing terrorist attacks from occurring within the United States, reducing U.S. vulnerability to terrorism, minimizing damages from attacks that occur, and helping the nation recover from any attacks. GAO has reported that the implementation and transformation of DHS is an enormous management challenge. GAO's prior work on mergers and acquisitions found that successful transformations of large organizations, even those faced with less strenuous reorganizations than DHS, can take at least 5 to 7 years to achieve. This testimony addresses (1) the progress made by DHS in implementing its management functions; and (2) key issues that have affected the department's implementation efforts. This testimony is based on GAO's August 2007 report evaluating DHS's progress between March 2003 and July 2007; selected reports issued since July 2007; and GAO's institutional knowledge of homeland security and management issues.

What GAO Recommends

While this testimony contains no new recommendations, GAO has made over 900 recommendations to DHS over the past 5 years to strengthen departmental operations. DHS has implemented some of these recommendations and is in the process of implementing others.

To view the full product, including the scope and methodology, click on [GAO-08-646T](#). For more information, contact Norm Rabkin at (202) 512-8777 or rabkinn@gao.gov.

DEPARTMENT OF HOMELAND SECURITY

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

What GAO Found

Within each of its management areas—acquisition, financial, human capital, information technology, and real property management—DHS has made some progress, but has also faced challenges.

- DHS has recognized the need to improve acquisition outcomes and taken some positive steps to organize and assess the acquisition function, but continues to lack clear accountability for the outcomes of acquisition dollars spent. The department also has not fully ensured proper oversight of its contractors providing services closely supporting inherently government functions.
- DHS has designated a Chief Financial Officer and taken actions to prepare corrective action plans for its internal control weaknesses. However, DHS has been unable to obtain an unqualified audit opinion of its financial statements, and for fiscal year 2007 the independent auditor identified significant deficiencies in DHS's internal control over financial reporting.
- DHS has taken actions to implement its human capital system by, for example, issuing a departmental training plan and human capital operational plan. Among other things, DHS still needs to implement a human capital system linked to its strategic plan, establish a market-based and more performance-oriented pay system, and seek more routine feedback from employees.
- DHS has taken actions to develop information technology management controls, such as developing an information technology human capital plan and developing policies to ensure the protection of sensitive information. However, DHS has not yet fully implemented a comprehensive information security program or a process to effectively manage information technology investments.
- DHS has developed an Asset Management Plan and established performance measures consistent with Federal Real Property standards. However, DHS has yet to demonstrate full implementation of its Asset Management Plan or full use of asset management inventory information.

Various cross-cutting issues have affected DHS's implementation efforts. For example, DHS has not yet updated its strategic plan and put in place structures to help it manage for results.

Accountability and transparency are critical to effectively implementing DHS's management functions. GAO has experienced delays in obtaining access to needed information from DHS, though over the past year, GAO's access has improved. GAO is hopeful that planned revisions to DHS's guidance for working with GAO will streamline our access to documents and officials.

DHS's 5 year anniversary provides an opportunity for the department to review how it has matured as an organization. As part of our broad range of work, GAO will continue to assess DHS's progress in addressing high-risk issues. In particular, GAO will continue to assess the progress made by the department in its transformation efforts and whether any progress made is sustainable over the long term.