United States Government Accountability Office

Report to Congressional Requesters

October 2020

HOMELAND SECURITY ACQUISITIONS

DHS Has Opportunities to Improve Its Component Acquisition Oversight

Accessible Version

GAO-21-77

October 2020

HOMELAND SECURITY ACQUISITIONS

DHS Has Opportunities to Improve Its Component Acquisition Oversight

GAO Highlights

Highlights of GAO-21-77, a report to congressional requesters

Why GAO Did This Study

DHS invests billions of dollars each year in its major acquisition programs—such as systems to help secure the border, increase marine safety, and screen travelers—to help execute its many critical missions. In fiscal year 2020 alone, DHS planned to spend more than $10 billion on major acquisition programs, and ultimately the department plans to invest more than $200 billion over the life cycle of these programs. A critical aspect of DHS's acquisition process is oversight of this portfolio by the CAEs. Most CAEs are senior acquisition officials below the department level, within the components. The CAEs have oversight responsibilities over the components' major and non-major acquisition programs, among other duties.

GAO was asked to review DHS's CAE functions. This report assesses the extent to which selected CAEs are nominated and designated to execute oversight responsibilities, among other objectives. GAO selected five DHS components, including the department-level Management Directorate, based, in part, on their number and type of acquisitions. GAO reviewed DHS's acquisition policy, guidance and documentation from the selected DHS components and interviewed CAEs, CAE support staff, and other DHS officials.

What GAO Recommends

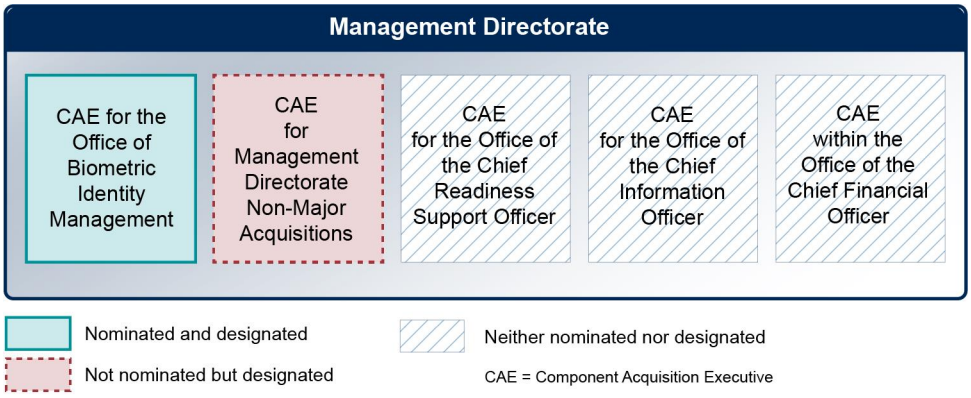
GAO is making four recommendations, including that DHS execute the CAE nomination and designation process consistently as defined in its guidance. DHS concurred with all four recommendations.

View GAO-21-77. For more information, contact Marie A. Mak at (202) 512-4841 or makm@gao.gov.

What GAO Found

Four components—Transportation Security Administration, Coast Guard, Customs and Border Protection, and the Countering Weapons of Mass Destruction Office—within the Department of Homeland Security (DHS) implemented the process to formally nominate and designate Component Acquisition Executives (CAE). However, four of the five individuals filling the CAE role—three as acting CAE—in the Management Directorate have not been subjected to this process (see figure). The process, described in guidance, entails preparing a nomination package for DHS to vet candidates' qualifications against criteria, and designating the selected individual in writing.

Nomination and Designation Status of Department of Homeland Security's Management Directorate Component Acquisition Executives as of April 2020



Source: GAO analysis of Department of Homeland Security information. | GAO-21-77

Note: Non-major acquisitions are those with an expected life-cycle cost of less than $300 million.

DHS indicated that the direct reporting relationship of acting CAEs to the DHS Chief Acquisition Officer makes designating CAEs in the Management Directorate through this process unnecessary. Without using the nomination and designation process, DHS officials lack a standard way to gain insight into the background of the acting CAEs and whether any gaps in experience need to be mitigated. For example, the CAE for the Coast Guard was nominated and designated, but the CAE did not have the acquisition experience that guidance suggests for the position. In the nomination documentation, the Coast Guard identified this issue and described the experienced staff that will support the nominated CAE. However, DHS cannot be confident that the acting CAEs in the Management Directorate are taking mitigation steps, because they have not been subject to this process. Until DHS consistently executes the nomination and designation process described in its guidance, the Chief Acquisition Officer cannot be assured that all acquisition programs are receiving oversight by individuals qualified for the CAE position.

Contents

Letter 1

Background 3
Acquisition Oversight Limited by Incomplete Implementation of CAE Nomination and Designation Process 10
Selected Component Policies Generally Align with Key Practices 15
Some CAEs Did Not Complete Support Staffing Plans, and DHS Analyses of Critical Staffing Gaps Is Limited 16
Most CAEs Certify Selected Acquisition Data, but Data Have Limited Usefulness to DHS 24
Conclusions 27
Recommendations for Executive Action 28
Agency Comments and Our Evaluation 29

Appendix I: Objectives, Scope and Methodology 31

Appendix II: Comments from the Department of Homeland Security 36

Appendix III: GAO Contact and Staff Acknowledgments 41

GAO Contact 41
Staff Acknowledgments 41

Appendix IV: Accessible Data 42

Data Tables 42
Agency Comment Letter 44

Tables

Table 1: Department of Homeland Security Acquisition Decision Authority by Acquisition Level 4
Table 2: Number of Department of Homeland Security Major and Non-Major Acquisition Programs Managed by Selected Components 8
Table 3: Number of Critical and Non-Critical Positions by Acquisition Discipline in Selected Department of Homeland Security's Component Acquisition Executive Functions, Fiscal Years 2018-2020 21

Figures

Figure 1: Department of Homeland Security Acquisition Management Function 5
Figure 2: Selected Component Acquisition Executive Responsibilities Established in Department of Homeland Security Policy 9
Figure 3: Component Acquisition Executives for Selected Department of Homeland Security Components 10
Figure 4: Nomination and Designation Status of Department of Homeland Security's Management Directorate Component Acquisition Executives as of April 2020 14
Figure 5: Reporting Process Flow of Investment Evaluation, Submission, and Tracking (INVEST) Acquisition Program Data Certified by the Component Acquisition Executive 25
Accessible Data for Figure 2: Selected Component Acquisition Executive Responsibilities Established in Department of Homeland Security Policy 42
Accessible Data for Figure 3: Component Acquisition Executives for Selected Department of Homeland Security Components 43

Abbreviations

ADE	acquisition decision event
CAE	Component Acquisition Executive
CAO	Chief Acquisition Officer
CBP	Customs and Border Protection
Coast Guard	United States Coast Guard
CWMD	Countering Weapons of Mass Destruction Office
DHS	Department of Homeland Security
INVEST	Investment Evaluation, Submission, and Tracking
PARM	Office of Program Accountability and Risk Management
TSA	Transportation Security Administration
USM	Under Secretary for Management

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

U.S. GOVERNMENT ACCOUNTABILITY OFFICE
441 G St. N.W.
Washington, DC 20548

October 20, 2020

Congressional Requesters

Each year, the Department of Homeland Security (DHS) invests billions of dollars in a diverse portfolio of major acquisition programs—such as systems to help secure the border, increase marine safety, screen travelers, enhance cybersecurity, and improve disaster response—to help execute its many critical missions. In fiscal year 2020 alone, DHS planned to spend more than $10 billion on major acquisition programs, and ultimately the department plans to invest more than $200 billion over the life cycle of these programs. A critical aspect of DHS's acquisition process is oversight of this portfolio by Component Acquisition Executives (CAE). With the exception of those in the Management Directorate, CAEs are senior acquisition executives below the department level, within the components. For example, DHS components include the United States Coast Guard (Coast Guard), Customs and Border Protection (CBP) and the Transportation Security Administration (TSA). CAEs have acquisition responsibilities in four key areas: oversight, policy, acquisition workforce, and acquisition data support.

Over the past decade, we have reviewed DHS's acquisition oversight and management functions, including the CAE oversight role. In GAO's *High-Risk Series*, we have identified strengthening DHS management functions—which includes elements of DHS's acquisition program management—as a high risk area.[1] Two high risk outcomes relate to establishing sufficient component-level acquisition capability and assessing that sufficient numbers of trained acquisition personnel are in place at the department- and component-levels. DHS has either fully or mostly addressed these outcomes and has taken steps to improve acquisition oversight.[2]

You requested that we review DHS's CAE functions, which include the individual CAEs and their support staff. Specifically, this report assesses

[1]GAO, *High-Risk Series: An Update*, GAO-05-207 (Washington, D.C.: January 2005). For our most recent report, see *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, GAO-19-157SP (Washington, D.C.: Mar. 6, 2019).

[2]As of March 2020, DHS has fully addressed one outcome—improve component acquisition capabilities—and has mostly addressed the second outcome—assess acquisition program staffing.

the extent to which selected CAEs (1) are nominated and designated to execute CAE oversight responsibilities; (2) develop policies that align with department policy and key practices; (3) develop CAE support staffing plans and how DHS analyzes staffing data; and (4) certify that acquisition data are accurate and how DHS uses these data.

To assess all four objectives, we selected five out of the 14 DHS components—including the Management Directorate—to include in our review. We selected the non-generalizable sample to include organizations that (1) manage acquisition programs of different sizes and types, (2) reorganized their CAE function in the last 5 years, and (3) had long-serving CAEs as identified by officials from the DHS Office of Program Accountability and Risk Management (PARM). Specifically, we selected TSA, the Countering Weapons of Mass Destruction Office (CWMD), the Coast Guard, CBP, and the DHS Management Directorate. The Management Directorate differs from the other selected components because organizationally it resides at the department level, has five separate CAEs (or individuals performing the duties of the CAE), and provides support to the DHS operational components.

To determine the extent to which the selected CAEs are nominated and designated to execute oversight responsibilities, we gathered and reviewed documentation of the CAEs' nominations and designations, as well as information on the concurrent roles held by the CAEs, and compared them to DHS policies. We also interviewed the selected CAE officials to discuss their oversight roles. To determine the extent to which the selected CAEs developed component-level policies that align with department policy and key practices, we gathered and reviewed component-level policies that specifically outlined CAE roles and responsibilities and assessed whether these aligned with department-level policies and GAO key practices for acquisition management.

To determine the extent to which the selected CAEs developed CAE support staffing plans and assess how DHS analyzes the data, we reviewed DHS policy and guidance and CAE support staffing plans, and assessed these documents against DHS requirements and GAO key principles for strategic workforce planning. We also interviewed the selected CAE officials to discuss their staffing review processes. To assess the reliability of CAE staffing data, we reviewed related documentation, interviewed officials familiar with the data, and asked follow-up questions as needed to ensure our understanding of the data. On this basis, we found the data sufficiently reliable for comparing the

total number of positions and critical positions identified in each acquisition discipline across DHS components.

To determine the extent to which the selected CAEs certify that certain acquisition data are accurate in the Investment Evaluation, Submission, and Tracking (INVEST) system—a DHS oversight and reporting tool for acquisition and IT investment information—and assess how DHS uses those data, we interviewed officials in the CAE functions on their process for validating acquisition data and submitting a certification to the department. While we also interviewed department-level officials to understand the extent to which DHS headquarters entities use the INVEST data for oversight and reporting purposes, we focused our review on the CAEs' INVEST responsibilities outlined in DHS acquisition policy and how DHS uses those CAE-reviewed data for acquisition reporting. Appendix I provides detailed information on our scope and methodology.

We conducted this performance audit from July 2019 to October 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

DHS Acquisition Management and Oversight

DHS policies and processes for managing its acquisition programs are primarily set forth in its Acquisition Management Directive 102-01 (commonly referred to as MD 102) and Acquisition Management Instruction 102-01-001.[3] These documents outline an acquisition life cycle that includes a series of predetermined milestones—known as acquisition decision events (ADE). These ADEs provide the acquisition decision

[3]DHS issued the initial versions of the directive and instruction in November 2008 and has subsequently issued multiple updates. DHS issued the current version of the directive in February 2019 and the current version of the instruction in May 2019, in part to be responsive to our recommendations. Combined, these documents provide a framework for consistent and efficient departmental management, support, review, and approval of the types and approaches of DHS's acquisition programs. However, the acquisition decision authority can tailor the acquisition life-cycle framework for programs as needed.

authority—the individual with the responsibility for ensuring compliance with acquisition policy—the opportunity to assess whether an acquisition program meets certain requirements necessary to move on to the next acquisition life cycle phase. The acquisition decision authority is established either at the department or component level based on the expected life-cycle cost of the acquisition. Generally, the DHS Chief Acquisition Officer (CAO) is the acquisition decision authority for major acquisitions—also called Level 1 and Level 2 acquisitions—and other specified acquisition programs, and CAEs hold that authority for non-major, or Level 3, acquisitions. See table 1 for more information on acquisition levels and the acquisition decision authority for each.

Table 1: Department of Homeland Security Acquisition Decision Authority by Acquisition Level

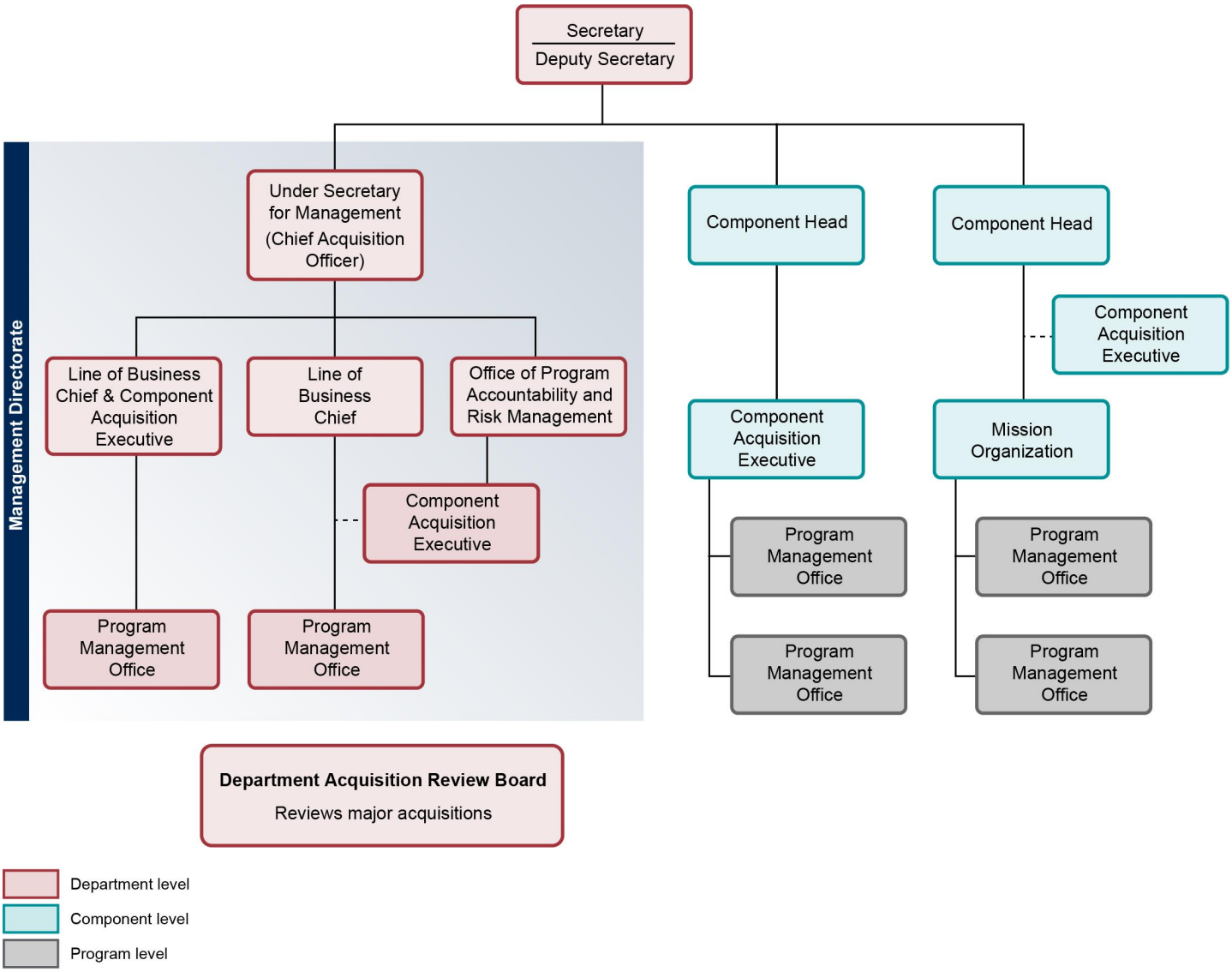
Level	Life-cycle cost estimate	Acquisition decision authority
1 (major)	Greater than or equal to $1 billion	Under Secretary for Management/Chief Acquisition Officer
2 (major)	Greater than or equal to $300 million, but less than $1 billion	Under Secretary for Management/Chief Acquisition Officer, or the Component Acquisition Executive when delegated
3 (non-major)	Greater than or equal to $50 million, but less than $300 million	Component Acquisition Executive

Source: GAO presentation of Department of Homeland Security acquisition policy. | GAO-21-77

Note: The Department of Homeland Security may raise a program's acquisition level if the program's importance to DHS's strategic and performance plans is disproportionate to its size; if it has high executive visibility; if it impacts more than one DHS Component; if it has significant program or policy implications; or for other reasons as recommended by the Deputy Secretary, Chief Acquisition Officer or acquisition decision authority.

DHS acquisition management and oversight is coordinated across organizations and executives at the department and component levels. Within the components, program management offices are responsible for planning and executing DHS's individual acquisition programs. See figure 1 for an overview of the DHS acquisition management structure, including some examples of how different components and lines of business organize the CAE position.

Figure 1: Department of Homeland Security Acquisition Management Function



Source: GAO analysis of Department of Homeland Security information. | GAO-21-77

Note: The Acquisition Review Board is a standing body. However, it has multiple members—including the Chief Acquisition Officer and Line of Business Chiefs—and non-member participants, such as the Component Acquisition Executive and the program manager.

Department-level entities that manage or oversee acquisitions include:

- **The DHS Under Secretary for Management (USM).** The USM heads the DHS Management Directorate. The USM is also the

CAO, the senior acquisition officer for the department who exercises overall management, administration, and oversight of the department's acquisition policies and procedures.

- **Management Directorate.** The Management Directorate is a support component that generally provides assistance and guidance to other DHS components and external organizations and includes functions like budget, finance, information technology, facilities, human capital, and acquisitions. The Management Directorate also manages acquisition programs. Typically these programs are those that involve multiple components, such as programs related to relocating the DHS headquarters and updates to financial systems for multiple components.[4]
- **Line of Business Chiefs.** DHS Line of Business Chiefs include the DHS Chief Financial Officer, the Chief Information Officer, the Chief Procurement Officer, the Chief Human Capital Officer, the Chief Security Officer, and the Chief Readiness Support Officer, among others. The Line of Business Chiefs have responsibility for executing the directorate's acquisition portfolios and are responsible and accountable for adhering to the department's acquisition policies and procedures to ensure the sound management, review, support, approval and oversight of acquisition programs within their respective organizations. In addition, Line of Business Chiefs are members of the Acquisition Review Board.
- **The Office of Program Accountability and Risk Management (PARM)** is responsible for DHS's overall acquisition governance process and reports directly to the USM. PARM develops and updates acquisition management policies and procedures, reviews major and non-major acquisition programs, provides guidance for workforce planning activities, provides support to program managers, and collects program performance data. DHS policy establishes the Deputy Executive Director of PARM as the Management Directorate's CAE, who in effect

[4]For example, the National Capitol Region Headquarters Consolidation program's mission is to relocate multiple DHS components' headquarters onto one campus, and the Financial Systems Modernization Trio program's mission is to update DHS's financial systems across multiple components.

serves as the CAE for non-major acquisition programs within the Directorate.[5]

- **The Acquisition Review Board** reviews major acquisition programs for proper management, oversight, accountability, and alignment with the department's strategic functions at ADEs and other meetings as needed. The board is held at the department level and is chaired by the acquisition decision authority—normally the Under Secretary for Management—or a designee and consists of individuals who manage DHS's mission objectives, resources, and contracts. The CAE for the program being reviewed also participates in board meetings.

Components—such as CBP, TSA, the Coast Guard, and CWMD—have responsibility for directly achieving one or more of the department's missions or activities. DHS component entities that manage and oversee the acquisition process include:

- **Component Heads.** Component heads nominate the CAE to oversee component acquisition management in accordance with department policies and procedures and ensure sound management, review, support, approval, and oversight of all acquisition program types within their respective organizations. For example, component heads include the Administrator of TSA and the Commandant of the Coast Guard.
- **Component Acquisition Executives (CAE).** CAEs are the senior acquisition executives within these components. CAEs provide acquisition oversight and are responsible for ensuring that appropriate acquisition planning takes place. In some components, the CAE is in the program management office's direct supervisory chain. In other components, the CAE is organizationally separated. In both cases, the CAE retains the authority and responsibility to oversee the acquisition process.

CAEs often have staff that support acquisition oversight efforts and provide direct program execution support, as appropriate. For example, CAE functions may have an experienced cost estimator or systems engineer to provide oversight of programs' costs and schedules, respectively. In addition, CAE functions may also provide

[5]Department of Homeland Security Directive 252-15, *Office of Program Accountability and Risk Management Directive* (Feb. 20, 2017).

program execution support to the acquisition program management offices.

- **Component Acquisition Review Boards.** Components may also have component-level acquisition review boards that further support the CAE in their work. Four of the components we selected—Coast Guard, CWMD, TSA, and CBP—convene a component-level acquisition review board that aids the CAE in their review at ADEs. Similarly, the Management Directorate convenes the Management Acquisition Review Board to review the non-major acquisition programs for which it provides oversight.

The components manage and oversee a variety of major and non-major acquisition programs. See table 2 for information on the number and level of acquisitions managed by each selected component as of April 2020.

Table 2: Number of Department of Homeland Security Major and Non-Major Acquisition Programs Managed by Selected Components

Component	Major acquisition programs	Non-major acquisition programs	Total
United States Coast Guard	11	9	**20**
Customs and Border Protection	11	8	**19**
Management Directorate	4	6	**10**
Transportation Security Administration	4	0	**4**
Countering Weapons of Mass Destruction Office	1	2	**3**

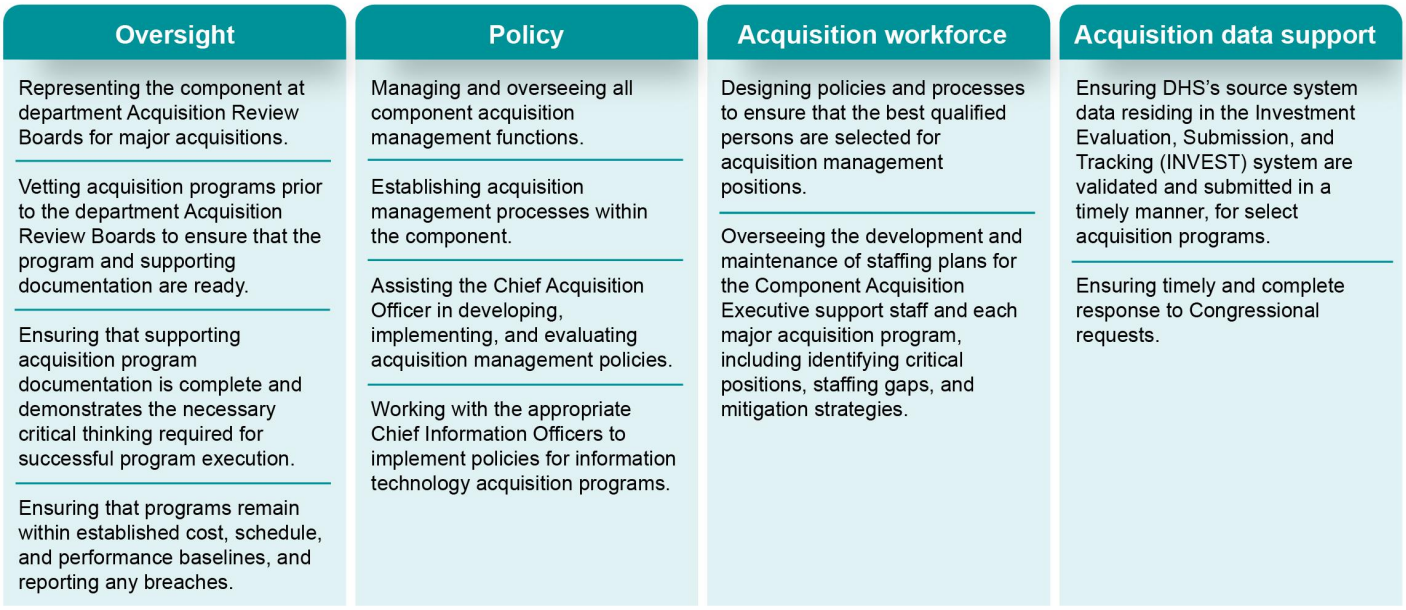
Source: GAO analysis of the April 2020 Department of Homeland Security Master Acquisition Oversight List. | GAO-21-77

Note: Data reported here do not include acquisition programs that have reached Full Operational Capability. Acquisition programs valued at less than $50 million are not included in these data.

Component Acquisition Executive Responsibilities

DHS policy identifies CAE responsibilities for major and non-major acquisitions in four primary areas—oversight, policy, acquisition workforce, and acquisition data support, as shown in figure 2.

Figure 2: Selected Component Acquisition Executive Responsibilities Established in Department of Homeland Security Policy



Source: GAO presentation of Department of Homeland Security (DHS) acquisition policy. | GAO-21-77

Note: According to DHS policy, if a program fails to meet any schedule, cost, or performance threshold approved in the acquisition program baseline, it is considered to be in breach.

Four of the five components we selected—TSA, CBP, CWMD, and the Coast Guard—have each established a single CAE for oversight of all acquisition programs within the respective components. However, the CAE role in the Management Directorate is currently separated by sub-organization and acquisition program type. See figure 3 for the CAEs aligned with the selected components.

Figure 3: Component Acquisition Executives for Selected Department of Homeland Security Components

CAE = Component Acquisition Executive

Source: GAO analysis of Department of Homeland Security information. | GAO-21-77

Note: The CAEs for the Office of the Chief Information Officer, the Office of the Chief Readiness Support Officer, and the Office of the Chief Financial Officer are not designated as CAEs; instead they perform the duties of the CAE, as discussed later in this report.

Acquisition Oversight Limited by Incomplete Implementation of CAE Nomination and Designation Process

Overview

CAE oversight activities throughout the acquisition life cycle for all acquisition programs, both at ADEs and in between those milestones, are established in department policies. At ADEs, the CAE holds a key role in preparing programs for review, including vetting acquisition programs to ensure that supporting documentation are ready. Activities in-between ADEs include coordinating with other departmental organizations, such as the Office of the Chief Information Officer, to support the acquisition programs and conducting component program reviews at least annually.

DHS guidance describes qualification criteria and a nomination and designation process for CAEs that helps to ensure they can execute their oversight role. Component heads nominate CAEs and send a nomination package to PARM. A PARM official vets the candidate's qualifications against criteria described in guidance and forwards the package to the CAO (who is also the USM) for approval. If the CAO approves the individual for the role, the CAO—per DHS policy—designates that person as CAE in writing. In GAO's prior High Risk work, GAO identified establishing sufficient component-level acquisition capability as a high risk outcome. DHS fully addressed this outcome in 2014, in part, when it established the CAE nomination and designation process with detailed guidelines for selection, nomination, and approval.[6]

We found that DHS has not fully and consistently implemented the CAE nomination and designation process as it is described in guidance. Our review identified instances where the acceptance criteria—standards to evaluate whether an individual is qualified—were neither met nor mitigated during the nomination process.

The PARM handbook for its component lead analysts—the PARM officials responsible for reviewing the CAE nomination package and developing an approval recommendation—outlines that PARM officials are responsible for reviewing all CAE nominations.[7] This handbook further states that PARM officials should assess the CAE nominations against the acceptance criteria described in DHS's Acquisition Management Instruction and DHS's 2014 Unity of Effort memorandum.[8] The Unity of Effort memorandum established basic principles, qualifications, responsibilities, authorities, and other considerations related to the CAE position, including:

[6]GAO, *High-Risk Series: An Update,* GAO-15-290 (Washington, D.C.: Feb. 11, 2015).

[7]Department of Homeland Security, Office of Program Accountability and Risk Management Handbook 102-01-001-01 Revision #01, *Component Lead Analyst Handbook* (Mar. 13, 2017).

[8]The *Unity of Effort* policy memorandum was issued in 2014 by the then-acting USM. See Department of Homeland Security Policy Memorandum 102-04, *Unity of Effort Acquisition Review – Component Acquisition Executive Policy* (Sept. 2, 2014). Although PARM officials told us that the *Unity of Effort* memorandum is no longer considered policy, the handbook continues to reference the memorandum as a source of acceptance criteria.

- The CAE should be a formal position within the component and the primary function of the person in the position.
- The person fulfilling the CAE role may have additional component responsibilities; however, the person should not concurrently hold the CAE position and another of the key acquisition executive roles, such as Chief Information Officer or Chief Financial Officer.
- The decentralization of the responsibilities and roles among CAEs, other key acquisition executives, and senior operational executives is critical to ensuring appropriate checks and balances throughout the acquisition life cycle.[9]
- Should the nominated CAE not explicitly meet the listed qualifications, the nomination package should detail how the potential CAE is exceptionally qualified, the intent of the basic principles of competent CAE oversight are substantially met, and CAE qualification shortfalls are mitigated.

We found that the CAE position was not the primary function for some of the CAEs we reviewed, as noted in DHS guidance. For example, the CAE for the Coast Guard is also the Vice Commandant, a position in which he is second in command of the organization, overseeing senior operational and mission support commanders. The CAE for the Office of Biometric Identity Management is also the office's Director, a position that requires him to manage and oversee the full organization, including the direct line management of its acquisition programs. Further, our review of the CAEs' nomination memorandums did not identify mitigation steps related to the specific qualification criteria addressing any concurrent duties that are held by the individual that prevent the CAE responsibilities from being its primary function. When the issue of overlap between the CAE role and other roles was raised with current CAEs, one acknowledged the overlap and discussed their efforts to ensure a focus on oversight while others found the overlap of roles advantageous.

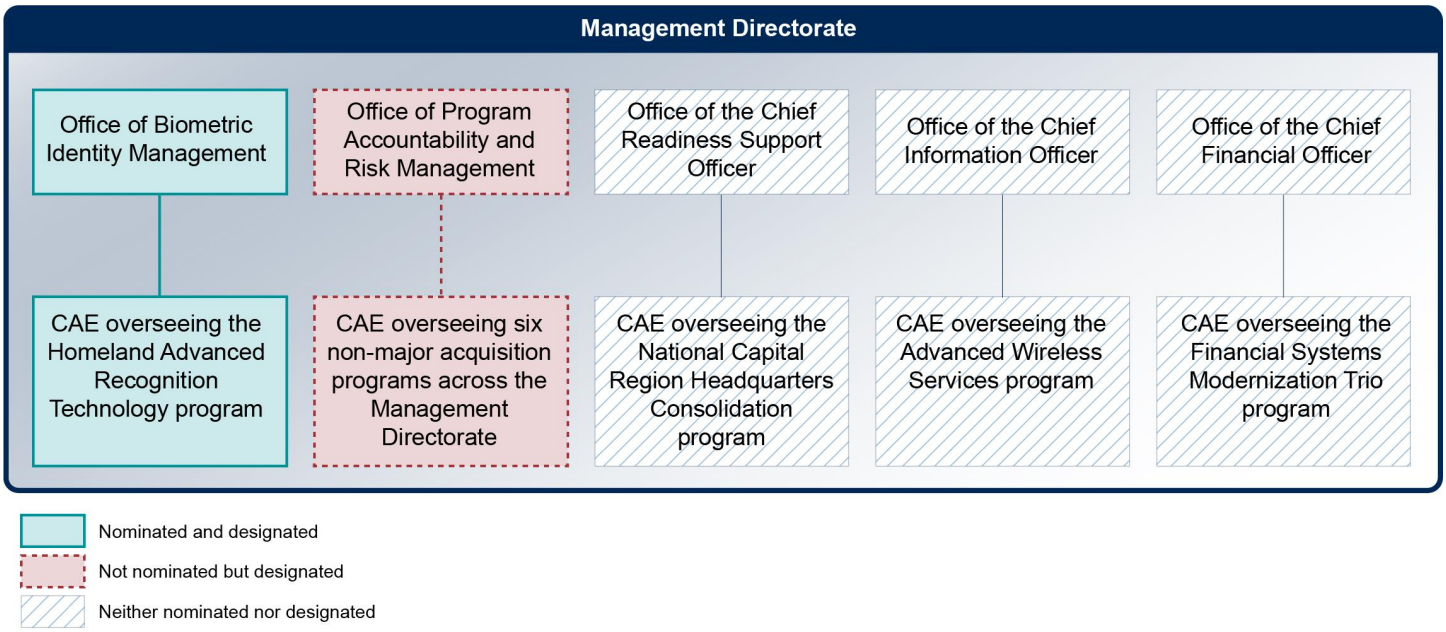
Further, not ensuring that the CAE role is the candidate's primary function—or considering the issue and mitigating it if it is not—is a missed opportunity to solidify the CAE's focus on acquisition oversight issues. As noted in the *Unity of Effort* memorandum, a number of senior acquisition executives have critical authorities and leadership responsibilities that bear on acquisition decision-making and governance, and senior operational executives have leadership responsibility and authority for

[9]Department of Homeland Security Policy Memorandum 102-04, *Unity of Effort Acquisition Review – Component Acquisition Executive Policy* (Sept. 2, 2014).

developing operational requirements and determining whether acquired systems meet operational needs. Adding CAE policy and oversight responsibilities as well—such as vetting acquisition programs prior to department acquisition review boards and establishing acquisition management processes—requires that an individual maintain primary focus on acquisition oversight while also providing the critical perspectives and inputs required by the concurrent role, potentially to the detriment of both roles. That person may be at greater risk of prioritizing the responsibilities of a concurrent role over that of CAE. For example, the individual may prioritize maintaining schedule for the acquisition program at the expense of sound acquisition practices or approving an incomplete cost estimate in order to maintain program affordability.

We also found that not all CAEs in the Management Directorate were nominated and designated. While four components we reviewed—TSA, Coast Guard, CBP and CWMD—each have a CAE in place that went through the nomination and designation process, this is not so for all the CAEs in the Management Directorate. Specifically, four out of five individuals filling the CAE role in the Management Directorate have not been subject to this process. PARM indicated that three of these individuals who were not designated are "performing the duties" of the CAE, and thus did not need to go through this process. Further, PARM indicated that the direct reporting relationship of acting CAEs to the DHS CAO makes nominating and designating CAEs in the Management Directorate unnecessary. For the purposes of this report, we refer to these individuals as acting CAEs. See figure 4 for the nomination and designation status of the Management Directorate CAEs.

Figure 4: Nomination and Designation Status of Department of Homeland Security's Management Directorate Component Acquisition Executives as of April 2020



CAE = Component Acquisition Executive

Source: GAO analysis of Department of Homeland Security policy and documents and the April 2020 Master Acquisition Oversight List. | GAO-21-77

Without using the nomination and designation process described in guidance for all CAEs, DHS officials lack a standard way to gain insight into the background of the acting CAEs and whether any gaps in experience need to be mitigated. For example, the CAE for the Coast Guard was nominated and designated, but the CAE did not have the acquisition experience that guidance suggests for the position. In the nomination documentation, the Coast Guard identified this issue and described the experienced staff that will support the nominated CAE. However, DHS cannot be confident that the acting CAEs in the Management Directorate are taking mitigation steps, because they have not been subject to the nomination and designation process.

Until PARM and the components consistently execute the nomination and designation process described in the *Unity of Effort* memorandum, the CAO cannot be assured that all acquisition programs are receiving oversight by individuals qualified for the CAE position. In addition, in 2019, DHS cited the CAE nomination process as one element used to establish sufficient component-level acquisition capability to address a High Risk outcome identified by GAO. DHS reported maintaining the CAE nomination and designation process, including detailed guidelines for the

selection, nomination, and approval, among its action items to address the outcome. By not following the detailed guidelines described in the *Unity of Effort* memorandum, the department is raising questions as to whether it is sustaining progress and still warrants a rating of fully addressed for that specific high risk outcome.

Selected Component Policies Generally Align with Key Practices

Oversight | **Policy** | Acquisition workforce | Acquisition data support

Overview
CAEs establish component acquisition program governance policies and acquisition management processes, per DHS policy. CAEs also assist the CAO in developing, implementing, and evaluating acquisition management policies for the department. Among the many elements of acquisition policy, component policies direct the CAE's role in overseeing the acquisition management functions within the components.

Five of nine CAEs we reviewed have established component acquisition policies that generally align with department-level policy, as well as with GAO key practices for effective acquisition management.[10] Specifically, these CAEs—TSA, CBP, the Coast Guard, CWMD, and the Management CAE for non-majors—have established their own acquisition program governance policies, as permitted by DHS acquisition policy. The policies we reviewed direct many aspects of the acquisition process, including establishing CAE roles and responsibilities. There are no additional policies established for major programs in the Management Directorate and, as such, those CAEs are only subject to DHS's department-level acquisition policies.

We found that the components' acquisition policies generally aligned with and, in some cases, supplemented the department's policy. For example, DHS department policy establishes a basic set of documents—such as the Acquisition Program Baseline and Capability Development Plan—that

[10]Policies and guidance reviewed include, but are not limited to: Department of Homeland Security Instruction 102-01-001, Revision 01, *Acquisition Management Instruction* (Mar. 9, 2016) [incorporating change 1, May 3, 2019]; U.S. Customs and Border Protection Directive 5220-041A, *Acquisition Management*, (Feb. 7, 2019); Department of Homeland Security Directive 252-15, *Office of Program Accountability and Risk Management Directive*, (Feb. 20, 2017); DHS Countering Weapons of Mass Destruction Office, *Solution Development Process Guide* (Sep. 27, 2018); Transportation Security Administration, *Transportation Security Administration Systems Acquisition Manual* (August 2018); U.S. Coast Guard Commandant Instruction M5000.10E, *Major Systems Acquisition Manual* (Dec. 31, 2018).

the CAE, among others, must review and sign prior to an ADE for a major acquisition program. CBP's and TSA's acquisition guidance include that basic set of documents for major acquisition programs and, in both cases, add additional required documents for the CAE to review, such as an Acquisition Plan, increasing opportunities for CAE oversight.

Our analysis identified some variation between some of the component policies we reviewed and department acquisition policy. For example, Coast Guard guidance and TSA's component policy state that the CAEs may act as the final acquisition decision authority for all Level 1 and 2 acquisition programs if designated by DHS, while DHS policy permits this only for Level 2 programs. According to PARM officials, DHS policy supports variation with components' policies as long as PARM is informed, and this particular variation was permitted.

In addition, we found that the components' policies generally reflected GAO key practices for effective acquisition management.[11] While the policies did not include all the elements of our key practices, the overarching tenets were reflected and did not contradict our established key practices. These key practices include identifying and validating needs, developing realistic cost estimates, and utilizing decision reviews prior to moving on to the next acquisition phase, among others. Our review found that CAE responsibilities established in policy generally were in alignment with these key practices. For example, the department's and components' policies include requirements that the CAE review and approve key acquisition documents prior to ADEs. These documents include, for example, a Mission Need Statement intended to identify the capability needs that the acquisition will address. Vetting this document to ensure critical thinking supports the key practice of identifying needs, as well as providing information for ADE reviews.

Some CAEs Did Not Complete Support Staffing Plans, and DHS Analyses of Critical Staffing Gaps Is Limited

Oversight | Policy | **Acquisition workforce** | Acquisition data support

[11]GAO, *Homeland Security: DHS Requires More Disciplined Investment Management to Help Meet Mission Needs*, GAO-12-833 (Washington, D.C.: Sept. 18, 2012).

Overview

CAEs are responsible for developing annual staffing plans for the acquisition workforce that support the CAE function, as well as for each major acquisition program. The CAE acquisition workforce—such as cost estimators, schedulers, and test and evaluation specialists—provide critical skills for oversight of acquisition programs. Per DHS guidance, these support staffing plans should identify positions CAEs deem critical and any staffing gaps that must be mitigated. PARM is responsible for conducting staffing assessments of the CAE functions and monitoring the CAEs' structures. As part of GAO's High Risk Series, we identified that ensuring sufficient numbers of trained acquisition personnel at the department- and component-levels is an important responsibility for the oversight of acquisition programs.[12] In response, PARM has acknowledged its commitment to address this area by requiring CAEs to identify the critical positions needed on an annual basis and conducting quarterly reviews of their critical staffing gaps.

Five of Nine Selected CAEs Did Not Complete Support Staffing Plans in Fiscal Year 2019

We found that five of the nine CAEs we selected did not complete CAE support staffing plans in fiscal year 2019. DHS policy requires that CAEs develop and maintain CAE support staffing plans, and that they oversee the development and maintenance of multiyear staffing plans for each major acquisition program. PARM directs CAEs to update their CAE support staffing plans on at least an annual basis. Our analysis found that CWMD, TSA, the Coast Guard, and the CAE for the Office of Biometric Identity Management completed the required plans.[13] However, four Management Directorate CAEs and CBP did not complete them. Specifically, we found the following:

- **Management Directorate.** Three acting CAEs—CAEs for the Office of the Chief Readiness Support Officer, the Office of the Chief Information Officer, and the Office of the Chief Financial Officer—did not complete CAE support staffing plans for their functions in fiscal year 2019 or in any other prior fiscal year. In addition, the Management CAE for non-majors did not complete a staffing plan in fiscal year 2019 or in prior fiscal years.
- **CBP.** The CBP CAE did not complete a CAE support staffing plan for fiscal year 2019. The most recent CAE support staffing plan is

[12]GAO-19-157SP.

[13]The Management Directorate's CAE for the Office of Biometric Identity Management signed the fiscal year 2019 CAE support staffing plan after the May 1, 2019 deadline.

from fiscal year 2018, which we included in our review.[14] CBP officials said that they find little utility in developing these staffing plans annually since there is little change in the mix or quantity of positions year to year. However, PARM has acknowledged the importance of completing the CAE support staffing plans annually so that it can monitor critical gaps and ensure the CAEs have sufficient and experienced staff for successful acquisition outcomes.

In 2003, we reported that there are five key principles agencies should follow for effective strategic workforce planning.[15] One key principle is to routinely monitor the workforce to identify gaps and needs.[16] PARM officials told us that they review CAE support staffing plans for completion, and are aware that some CAEs are not completing their support staffing plans annually. PARM officials also acknowledged that they need to make more progress in this area. Further, DHS policy states that the PARM executive director's responsibilities include consolidating staffing plan data across DHS for department-level acquisition workforce analysis and identifying CAE support staffing gaps and mitigation strategies. Without CAE support staffing plans from all the CAEs, PARM does not have a comprehensive look into whether CAEs have the appropriate level of staff to carry out oversight responsibilities and PARM is unable to effectively analyze staffing data, as required by DHS policy.

Shortfall in Guidance Limits DHS Headquarters Analyses to Identify Critical CAE Staffing Gaps

The CAE support staffing plans we reviewed did not provide consistent data to facilitate department-level analysis of critical staffing gaps. While it

[14]CBP's CAE signed the fiscal year 2018 CAE support staffing plan after the May 1, 2018 deadline.

[15]GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, D.C.: Dec. 11, 2003).

[16]Other key principles include: (1) involve top management, employees, and other stakeholders in developing, communicating, and implementing the strategic workforce plan; (2) develop strategies that are tailored to address gaps in number, deployment, and alignment of human capital approaches for enabling and sustaining the contributions of all critical skills and competencies; (3) build the capability needed to address administrative, educational, and other requirements important to support workforce planning strategies; and (4) monitor and evaluate the agency's progress toward its human capital goals and the contribution that human capital results have made toward achieving programmatic results.

is the CAE's responsibility to report staffing needs on an annual basis, it is PARM's responsibility to conduct staffing assessments to identify staffing gaps. To meet this responsibility, PARM has prioritized reviewing its critical staffing gap data on a quarterly basis. However, DHS has not defined what acquisition expertise is considered critical, and thus required to support the CAE function. Our prior work states that determining the expertise—critical skills, competencies, and resources—needed is important for effective strategic workforce planning.[17]

CAEs have significant flexibility in determining the number and type of positions deemed critical for oversight. While it is appropriate that CAEs have the flexibility to determine the number of staff needed based on size and number of acquisition programs under their purview, CAEs should be able to demonstrate that they have access to critical expertise to support their key oversight responsibilities. DHS policy only defines critical positions in the program management acquisition discipline for major acquisition programs—those positions in which the primary duties are supervision, leadership, or oversight performed by experienced acquisition program management personnel. The program management discipline includes positions like program managers, project managers, and workforce specialists that work directly in support of program execution. Neither DHS policy nor staffing plan guidance provided by PARM defines critical positions for other acquisition disciplines such as cost estimation, systems engineering, and test and evaluation, which include positions that provide cost, schedule, and performance expertise. However, components can identify positions in other acquisition disciplines as critical.

Our review of six CAE support staffing plans completed between fiscal years 2018 and 2020 showed a wide variety in the type of positions identified as critical within the CAE function.[18] Specifically, while CAEs have the same responsibility of ensuring programs remain within their cost, schedule, and performance baselines, there was not any individual acquisition discipline that all six CAEs identified as critical in the completed staffing plans. In some cases, the CAE reported support staff positions within an acquisition discipline, but had not deemed any of the

[17]GAO-04-39.

[18]We reviewed six staffing plans—CWMD, CBP, TSA, Coast Guard, the Management Directorate's Office of Biometric Identity Management, and the Management Directorate's Non-Majors. The Management Directorate's Offices of the Chief Readiness Support Officer, Chief Financial Officer, and Chief Information Officer have not completed CAE support staffing plans.

positions as critical. In other cases, the CAE reported no support staff positions within certain acquisition disciplines, critical or non-critical. See table 3 for a breakout of the critical and non-critical positions by acquisition discipline for the CAE support staffing plans we reviewed.

Table 3: Number of Critical and Non-Critical Positions by Acquisition Discipline in Selected Department of Homeland Security's Component Acquisition Executive Functions, Fiscal Years 2018-2020

Acquisition discipline	Countering Weapons of Mass Destruction Office	Customs and Border Protection	Transportation Security Administration	U.S. Coast Guard	Management Directorate Non-Majors	Management Directorate OBIM[a]
Contracting (critical positions)	na	5	na	33	na	na
Contracting (non-critical positions)	na	133	na	na	na	na
Contracting Officer's Representative (critical positions)	na	na	na	na	na	na
Contracting Officer's Representative (non-critical positions)	na	2	na	na	na	na
Cost Estimating (critical positions)	na	1	1	1	na	na
Cost Estimating (non-critical positions)	na	4	5	2	na	na
Information Technology (critical positions)	1	na	na	na	na	na
Information Technology (non-critical positions)	na	6	na	2	na	1
Life Cycle Logistics (critical positions)	1	1	na	na	1	na
Life Cycle Logistics (non-critical positions)	na	18	1	1	na	na
Program Financial Management (critical positions)	1	1	na	13	na	na
Program Financial Management (non-critical positions)	na	18	na	21	na	1
Program Management (critical positions)	na	10	1	23	3	3
Program Management (non-critical positions)	na	37	6	9	2	na
Requirements (critical positions)	na	na	na	na	1	na
Requirements (non-critical positions)	na	5	na	na	na	na
Systems Engineering (critical positions)	1	12	na	1	1	na

Acquisition discipline	Countering Weapons of Mass Destruction Office	Customs and Border Protection	Transportation Security Administration	U.S. Coast Guard	Management Directorate Non-Majors	Management Directorate OBIM[a]
Systems Engineering (non-critical positions)	na	20	1	4	na	1
Test and Evaluation (critical positions)	na	1	na	4	1	na
Test and Evaluation (non-critical positions)	na	8	na	1	na	na
Other [b] (critical positions)	4	na	na	na	na	na
Other [b] (non-critical positions)	na	19	na	4	na	1
Total (critical positions**)**	**8**	**31**	**2**	**75**	**7**	**3**
Total (non-critical positions**)**	**na**	**270**	**13**	**44**	**2**	**4**

critical positions

non-critical positions

Source: GAO analysis of Department of Homeland Security documentation. | GAO-21-77

Note: Four Component Acquisition Executive (CAE) support staffing plans we reviewed are from fiscal year 2019: Countering Weapons of Mass Destruction Office, Transportation Security Administration, Coast Guard, and Management Directorate's OBIM. Customs and Border Protection's CAE support staffing plan is from fiscal year 2018, and Management Directorate's CAE for Non-Majors support staffing plan is from fiscal year 2020.

[a]OBIM is the Office of Biometric Identity Management located within the Management Directorate.

[b]Components can identify additional critical positions outside of the acquisition disciplines defined in policy.

The CAE staffing plans do not address whether some CAEs lack expertise in key acquisition oversight areas or if they are accessing expertise from outside of the organization. Since CAEs are responsible for ensuring that acquisition programs remain within established cost, schedule, and performance baselines, they would benefit from expertise in acquisition disciplines pertinent to these responsibilities. For example, the cost estimating and financial management disciplines provide cost estimation and earned value management skills, which help CAEs provide oversight of acquisition program cost throughout the acquisition life cycle.[19] Program financial management and systems engineering are

[19]The cost estimation discipline includes cost estimators and analysts who must understand the DHS acquisition process, provide cost estimates, and when applicable apply earned value management methodologies. The program financial management discipline includes analysts who must understand budgeting, allocation of acquisition resources of a program, as well as earned value management, which is a project management tool that integrates cost estimation, schedule development, system development oversight, and risk management.

among the disciplines that help CAEs provide critical schedule oversight for programs throughout the acquisition life cycle.[20] The test and evaluation discipline provides critical requirements-related skills that help CAEs oversee program performance throughout the acquisition life cycle.[21] However, the key oversight positions in these disciplines are not always reported as critical across CAE functions. As a result, PARM's analysis will be unable to consistently track whether common critical position gaps exist across all components.

Without clearly defined critical positions—the expertise needed at minimum to support oversight of cost, schedule and performance—there is an inconsistency in what components deem necessary, and the CAEs and PARM lack insight into whether they have the appropriate staff to carry out their primary oversight responsibilities. PARM officials told us that identifying a set of core critical acquisition disciplines across CAE staff functions would be difficult, in part because smaller CAE functions with fewer acquisitions may not keep expertise in-house. However, whether or not these positions are filled by internal staff, each of the CAEs need to have access to this expertise when it is needed to execute their oversight role. Regardless of whether CAEs plan to fill needs internally or externally, all critical needs should be documented within the staffing plans. Without defining critical positions and fully documenting the needs, PARM will be unable to measure whether CAEs have the appropriate expertise.

In March 2020, PARM officials said that they plan to conduct a deeper analysis of the CAE support staffing plans, including critical positions. We plan to review PARM's progress on conducting this deeper analysis through our ongoing High Risk work. However, until DHS establishes a definition of what acquisition positions are critical for a CAE organization, PARM faces difficulty effectively analyzing, identifying, and prioritizing critical workforce needs across the department.

[20]The systems engineering discipline includes engineers that focus on the design and management of complex engineering projects over the life cycle of a project, including planning work processes that use modeling and simulation, requirements analysis, and scheduling to manage complexity.

[21]The test and evaluation discipline includes individuals who assess and analyze testing results on systems to aid in risk identification, risk mitigation, among other things, to determine whether systems will perform as intended.

Most CAEs Certify Selected Acquisition Data, but Data Have Limited Usefulness to DHS

Oversight | Policy | Acquisition workforce | **Acquisition data support**

Overview

Acquisition data support—including certifying the accuracy of selected acquisition program data—is a CAE responsibility. Twice per year, the Deputy Under Secretary for Management directs CAEs to review and validate that select acquisition program data fields in the Investment Evaluation, Submission, and Tracking (INVEST) system are accurate and attest to the data fields' accuracy by sending a certification to PARM. PARM created the certification process in response to our 2015 recommendation for CAEs to validate data in the INVEST system's predecessor, as we had found data accuracy issues.[22]

INVEST is an oversight and reporting tool used to compile, manage and report information on DHS acquisitions and IT Investments, such as budget, schedule, and performance information. INVEST is used to house and report both acquisition data at the direction of PARM and information technology investment data at the direction of the Office of the Chief Information Officer. INVEST was created in 2015 through a merger of two existing systems in order to enhance DHS's data accuracy and validity. In our prior work, we found issues with INVEST data quality.[23]

Most Selected CAEs Certified Key Acquisition Data as Required

We found that, in October 2019, five of the nine selected CAEs—from CBP, CWMD, TSA, Coast Guard, and the Management Directorate's Office of the Chief Financial Officer—submitted the required certifications on time. All CAEs in our review have programs that satisfy certain requirements and must be reported in INVEST.[24] Meanwhile, the Management CAE for non-majors and the CAE for the Office of Biometric Identity Management were late in submitting their certifications due on October 31, 2019. The acting CAEs for the Offices of the Chief Readiness

[22]GAO, *Homeland Security Acquisitions: DHS Should Better Define Oversight Roles and Improve Program Reporting to Congress*, GAO-15-292 (Washington, D.C.: Mar. 12, 2015).

[23]GAO, *Homeland Security Acquisitions: Identifying All Non-Major Acquisitions Would Advance Ongoing Efforts to Improve Management*, GAO-17-396 (Washington, D.C.: Apr. 13, 2017); GAO-15-292.

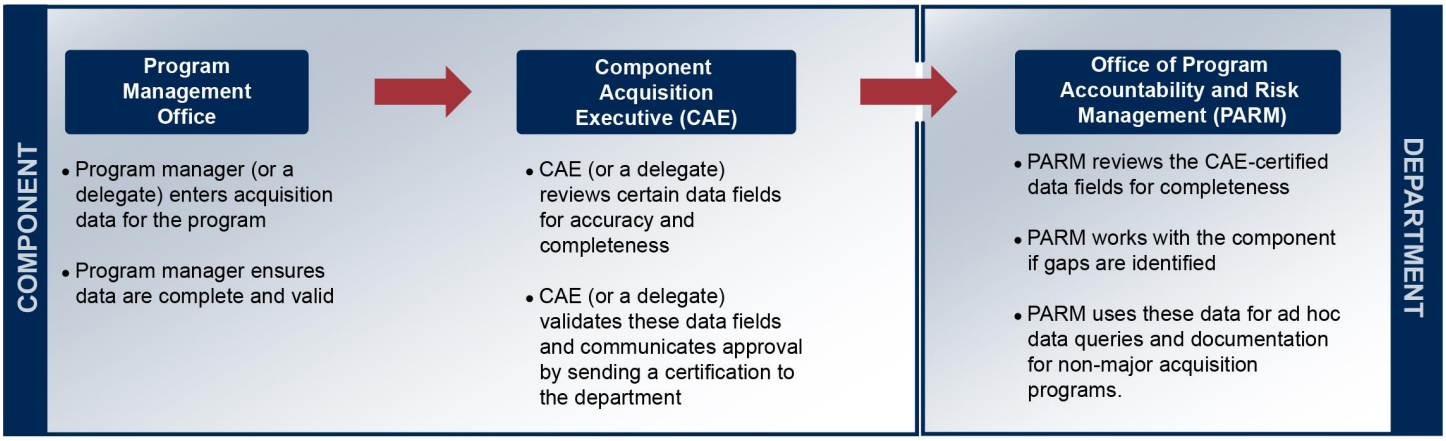
[24]Per DHS guidance, these requirements depend on the program's acquisition life-cycle phase, life cycle cost estimate, and whether the program is considered an information technology acquisition or not, among other things.

Support Officer and the Chief Information Officer did not certify data despite having programs that required the certifications.

As part of their oversight responsibilities, the CAEs are directed to review, validate, and certify certain data fields in INVEST for each acquisition program.[25] These data fields present information on the programs, including the current acquisition life-cycle phase, the total life-cycle cost estimate, and any related contracts' descriptions. PARM officials identified these fields as being the most used acquisition data fields.

We found that the validation and certification process—how the CAEs review the data before attesting to their accuracy and completeness—varied by CAE. For example, according to the CAE for CWMD, he reviews data for the component's three programs with the respective program managers before submitting the certification. In contrast, Coast Guard officials told us the CAE relies on the program managers to validate data, and additional officials to approve the validation and certify that the data on the component's 46 acquisition programs are accurate and complete. CAEs are not told how they should certify the data, only that they need to certify them by a specific date. Figure 5 depicts the reporting process of the INVEST acquisition program data certified by the CAE.

Figure 5: Reporting Process Flow of Investment Evaluation, Submission, and Tracking (INVEST) Acquisition Program Data Certified by the Component Acquisition Executive



Source: GAO analysis of Department of Homeland Security (DHS) INVEST guidance and information from DHS officials. | GAO-21-77

[25]While CAEs were required to certify only 61 data fields in October 2019, the INVEST system contains approximately 3500 data fields that are primarily used by the Office of the Chief Information Officer.

Note: Some elements of CAE-certified data are also used by the Office of the Chief Information Officer—INVEST's owner—for reporting on information technology investments. That office directs its own data collection and reporting process separate from that outlined in acquisition guidance and executed by PARM.

DHS's Use of CAE-Certified Data Is Limited

We found that the CAE-certified data have limited usefulness for DHS's internal and external acquisition reporting. PARM uses the CAE-certified INVEST acquisition data for limited reporting purposes, and PARM officials told us in February 2020 that they no longer use the system as the primary source for acquisition data.

- **Reporting purposes.** PARM officials told us that they use INVEST acquisition data for ad-hoc queries, as shown in the figure above, but do not use these data for any standard or routine reporting. In the past, for example, PARM used INVEST acquisition data to populate the Comprehensive Acquisition Status Report to Congress. Starting in fiscal year 2012, this quarterly reporting requirement provided Congress the status of DHS's major programs. However, Congress relieved DHS of that requirement in 2017.
- **Acquisition data system.** Although PARM still considers the INVEST system to be DHS's central acquisition information system, it no longer uses it as its primary acquisition data source. PARM officials told us that INVEST provides one unique acquisition data function that links a contract number to the related acquisition program. While related data points are available in other systems, INVEST is the only system that links these data points. PARM currently uses SharePoint as a repository of acquisition data, which contains program documentation and information for acquisition program health assessments, among other information.

GAO's *Standards for Internal Control in the Federal Government* advises management to identify what data it needs to achieve the agency's objectives and support informed decisions while considering its users. Whenever change in the entity's objectives occurs, management should change its information requirements.[26] Under this current approach, PARM is unnecessarily increasing the CAEs' workload by directing them

[26]GAO-14-704G.

to certify data that now have limited usefulness for DHS's acquisition reporting.

PARM officials told us they are currently reconsidering PARM's use of INVEST as the acquisition system of record, their information requirements, and where this information should be located. However, PARM has not set a completion date for its review. This review process presents an opportunity to reassess the steps the CAE must take to ensure acquisition data are useful and accurate. Without reassessing the data fields for which the CAE certification is necessary and where this data will be stored, PARM cannot ensure that the CAE is certifying information that is valuable for DHS's oversight and reporting requirements.

Conclusions

CAEs contribute to an effective acquisition capability within their components and DHS overall. DHS policy and guidance outlines the CAE's roles and responsibilities in the areas of oversight, policy, acquisition workforce, and acquisition data support. While CAEs continue to execute these responsibilities, DHS can take action to increase CAE effectiveness.

DHS has opportunities to improve the CAE's oversight by encouraging adherence to existing guidance. Specifically, DHS's failure to follow the nomination and designation process in some components may interfere with CAEs carrying out their oversight responsibilities. By not fully participating in this process, the individuals holding CAE responsibilities do not have consistent oversight. Further, DHS's missed opportunity to fully understand the implications of concurrent roles poses a risk to executing critical mission functions. This calls into question whether these individuals can balance the CAE role with other executive responsibilities. Until DHS fully implements its guidance, DHS will lack appropriate insight into CAEs' abilities to execute their oversight responsibilities.

Further, not all CAEs prepared support staffing plans, and DHS has not clearly defined which acquisition positions are critical in a CAE organization in order to carry out the CAE's oversight responsibilities. Until DHS ensures that CAEs complete support staffing plans and further updates its guidance to better focus CAE efforts in completing the staffing plans, its work to track critical positions and address capability gaps will be ineffective. Finally, CAEs and their staff are dedicating valuable time to

certifying INVEST data that is used on a limited basis by DHS headquarters. While PARM is currently reassessing its data needs, including INVEST data, no time frame has been established to complete this assessment. Completing this assessment in a timely manner would clarify a path forward with regard to the data needed for acquisition program oversight and potentially ease the burden on the CAEs.

Recommendations for Executive Action

We are making the following four recommendations to the Department of Homeland Security.

The Under Secretary for Management should ensure that the Office of Program Accountability and Risk Management and component heads execute the Component Acquisition Executive nomination and designation process consistently, as described in its guidance. This should include nominating and designating Component Acquisition Executives to oversee all acquisition programs. (Recommendation 1)

The Under Secretary for Management should ensure that the Component Acquisition Executives that are responsible for oversight of acquisition programs comply with Department of Homeland Security direction to complete Component Acquisition Executive support staffing plans. (Recommendation 2)

The Under Secretary for Management should identify, in policy or guidance, the expertise that constitutes critical acquisition positions for effective Component Acquisition Executive oversight. (Recommendation 3)

The Under Secretary for Management should direct the Office of Program Accountability and Risk Management to establish a time frame for completing its assessment of the Investment Evaluation, Submission, and Tracking (INVEST) system data fields for which the Component Acquisition Executive certification is necessary, based on current use and reporting requirements, and take appropriate actions based on the results. (Recommendation 4)

Agency Comments and Our Evaluation

We provided a draft of this product to DHS for comment. DHS's written comments are reproduced in appendix II. DHS also provided technical comments, which we incorporated as appropriate. In its comments, DHS concurred with all four recommendations and identified actions it planned to take to address them.

We are sending copies of this report to the appropriate committees and the Acting Secretary of Homeland Security. In addition, the report is available at no charge on the GAO website at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-4841 or makm@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to the report are listed in appendix III.

Marie A. Mak
Director, Contracting and National Security Acquisitions

List of Requesters

The Honorable Bennie G. Thompson
Chairman
Committee on Homeland Security
House of Representatives

The Honorable Xochitl Torres Small
Chairwoman
The Honorable Dan Crenshaw
Ranking Member
Subcommittee on Oversight, Management, and Accountability
Committee on Homeland Security
House of Representatives

The Honorable J. Luis Correa
House of Representatives

The Honorable Michael McCaul
House of Representatives

The Honorable Scott G. Perry
House of Representatives

Appendix I: Objectives, Scope and Methodology

This report assesses the extent to which selected Component Acquisition Executives (CAE) (1) are nominated and designated to execute CAE oversight responsibilities; (2) develop policies that align with department policy and key practices; (3) develop CAE support staffing plans and how the Department of Homeland Security (DHS) analyzes staffing data; and (4) certify that acquisition data are accurate and how DHS uses these data.

To address all four objectives, we selected a non-generalizable sample of DHS components to provide both in-depth information and examples of CAE policies and processes across the objectives. We selected five of the 14 DHS components—the Transportation Security Administration (TSA), the Countering Weapons of Mass Destruction Office (CWMD), the United States Coast Guard (Coast Guard), Customs and Border Protection (CBP), and the DHS Management Directorate—to include in our review. The Management Directorate differs from the other selected components because it organizationally resides at the department level, has five separate CAEs, and provides support to the DHS operational components.

We selected these organizations to ensure that our sample included the following: (1) components with acquisition programs listed on the July 2019 Master Acquisition Oversight List, (2) components with a mix of information technology and non-information technology acquisition programs, (3) components with a mix of major and non-major acquisition programs, (4) some components that the DHS Office of Program Accountability and Risk Management (PARM) officials identified as reorganizing their CAE function in the last 5 years, and (5) some components with long-serving CAEs, as identified by PARM officials. Because we used a non-generalizable sample, our findings cannot be used to make inferences about other parts of DHS. However, we determined that the selection of these components was appropriate for our design and objectives and that the selection would generate valid and reliable evidence to support our work.

To review the CAE's roles and responsibilities, we reviewed DHS and selected component-level acquisition policies and guidance as they relate to CAE responsibilities. We also interviewed PARM officials, as well as the CAEs or CAE support staff from the five selected components. Finally, to understand how the CAE interacts with other department organizations, we interviewed officials from the Science and Technology Directorate.

To determine the extent to which CAEs of the five selected components are nominated and designated to execute CAE oversight responsibilities, we reviewed the DHS guidance and policy pertaining to the CAE role. Specifically, we reviewed DHS's Acquisition Management Directive 102-01, Acquisition Management Instruction 102-01-001[1], and PARM's Component Lead Analyst Handbook. We also reviewed the 2014 *Unity of Effort* memorandum signed by the Acting Under Secretary for Management which was referenced as a source of acceptance criteria by the Handbook.[2] We also reviewed nomination and designation packages and memorandums for CAEs and individuals performing CAE duties, assessing the documents against DHS guidance. We reviewed selected component organizational charts to identify what concurrent roles they hold that are contrary to DHS guidance and discussed the issue of separating management and oversight functions with PARM officials. We also interviewed the selected CAE officials to discuss their oversight roles.

To determine the extent to which CAEs of our five selected components developed component policies that align with department policy and key practices, we reviewed selected component-level acquisition policies and guidance that pertain to and direct the CAE function in that organization. We compared the identified policies against the DHS department-level policy, for example MD 102 and its instruction, to determine the degree to which the CAE-established policy aligned with department policy. We also

[1]DHS issued the initial versions of the directive and instruction in November 2008 and has subsequently issued multiple updates. DHS issued the current version of the directive in February 2019 and the current version of the instruction in May 2019, in part to be responsive to our recommendations. Combined, these documents are intended to provide a framework for consistent and efficient management of DHS's major acquisition programs. However, they also provide the acquisition decision authority flexibility to tailor the framework for programs as needed.

[2]Department of Homeland Security Policy Memorandum 102-04, *Unity of Effort Acquisition Review -- Component Acquisition Executive Policy* (Sept. 2, 2014).

compared the component-level policies with GAO key acquisition practices found in prior work.[3] Specifically, we reviewed the extent to which the relevant component-level policies aligned with key acquisition program management practices; these practices include: identifying and validating needs, assessing alternatives to select the most appropriate solution, clearly establishing well-defined requirements, developing realistic cost estimates, utilizing milestones and exit criteria, and establishing an adequate workforce.

To determine the extent to which the CAEs of our five selected components develop CAE support staffing plans for their respective CAE functions and assess how DHS analyzes those data, we reviewed DHS-level policies and guidance on monitoring CAE support staffing. We assessed the policy and guidance against GAO key principles for strategic workforce planning. We reviewed four fiscal year 2019 CAE support staffing plans provided by the selected components to understand the extent to which CAEs monitored staffing levels in accordance with policy. For the CBP CAE and the Management Directorate's CAE for Non-Majors, we reviewed the fiscal year 2018 and 2020 plans, respectively. Three acting CAEs—CAEs for the Office of the Chief Readiness Support Officer, the Office of the Chief Information Officer, and the Office of the Chief Financial Officer—did not complete CAE support staffing plans for their functions in fiscal year 2019 or in any other prior fiscal year. We also reviewed the CAE support staffing plans to understand the extent to which the number of critical and non-critical support staff in each acquisition discipline varied across the CAE functions.

To assess the reliability of CAE staffing data, we reviewed related documentation, interviewed officials familiar with the data, and asked follow up questions as needed to ensure our understanding of the data. On this basis, we found the data to be sufficiently reliable for comparing the total number of positions and critical positions identified in each acquisition discipline across DHS components. In addition, we interviewed officials in the selected CAE functions on their process for completing the CAE support staffing plans. We also interviewed PARM officials to discuss how they review and use information from component staffing plans.

[3]GAO-12-833.

To determine the extent to which the CAEs of our five selected components certify that certain acquisition data are accurate and assess how DHS uses these data, we interviewed officials in the CAE functions to discuss their process to validate the acquisition data in Investment Evaluation, Submission, and Tracking (INVEST), a DHS oversight and reporting tool. They indicated that they attest to that accuracy by submitting a certification to the department. We also discussed how they used INVEST data. When available, we collected the most recent certification due on October 31, 2019 from each component to assess the extent to which the CAEs submitted them on time as required.

We reviewed system guidance and requested the 61 data fields the CAE was most recently required to certify for each program available in the system as of December 11, 2019. We selected this date after consulting with the INVEST system managers and users to avoid dates that might result in greater data inaccuracy as a result of system entry time frames and deadlines. We checked the data for obvious errors—such as data in a format that is incompatible with the data field—and verified that data certified by the CAE are complete by corroborating the list of programs we received with the list we compiled using the November 2019 Master Acquisition Oversight List and information from the components on the programs that did not appear on the list. We also interviewed officials from the Office of the Chief Information Officer—the system's owner—and PARM as part of our data analysis work on the data's characteristics and quality controls.

To determine the extent to which DHS uses acquisition information from DHS's system, we interviewed officials from DHS headquarters entities on their use of the INVEST system and its data for oversight or reporting purposes. We met with officials from the Science and Technology Directorate and the Office of the Chief Financial Officer to better understand their use of INVEST data. We also asked officials from PARM and the Office of the Chief Information Officer about their role in the CAE certification process as well as reviewing and reporting INVEST data. Specifically, we collected information from PARM officials on the data fields the CAE was most recently directed to certify and their entity's use of other information systems that contain acquisition data. We also interviewed officials from the DHS Office of the Chief Information Officer about their use of the INVEST system. That office's use of the INVEST system fell outside of our scope as we focused our review on the CAEs' INVEST responsibilities as outlined in DHS acquisition policy.

We conducted this performance audit from July 2019 to October 2020 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528

Homeland Security

October 6, 2020

Marie A. Mak
Director, Contracting and National Security Acquisitions
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Re: Management Response to Draft Report GAO-21-77, "HOMELAND SECURITY ACQUISITIONS: DHS Has Opportunities to Improve Its Component Acquisition Oversight"

Dear Ms. Mak:

Thank you for the opportunity to comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office's (GAO) work in planning and conducting its review and issuing this report.

Senior DHS leadership is pleased to note GAO's positive recognition of the strides the DHS acquisition community has made strengthening its oversight and management of acquisition programs. Leadership remains committed to improving our GAO high risk area of strengthening DHS management functions, to include establishing sufficient Component-level acquisition capability, as well as assessing that sufficient numbers of trained acquisition personnel are in place at the Department- and Component-levels.

The draft report contained four recommendations with which the Department concurs. Attached find our detailed response to each recommendation. DHS previously submitted technical comments under a separate cover for GAO's consideration.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.

Sincerely,

DAVID E SCHMITT

Digitally signed by DAVID E SCHMITT
Date: 2020.10.06 12:21:43 -04'00'

(for) JIM H. CRUMPACKER, CIA, CFE
Director
Departmental GAO-OIG Liaison Office

Attachment

2

Attachment: Management Response to Recommendations Contained in GAO-21-77

GAO recommended that the DHS Under Secretary for Management (USM):

Recommendation 1: Ensure that the Office of Program Accountability and Risk [PARM] Management and Component heads execute the Component Acquisition Executive [CAE] nomination and designation process consistently, as described in its guidance. This should include nominating and designating Component Acquisition Executives to oversee all acquisition programs.

Response: Concur. The USM agrees that the CAE nomination and designation process should be executed in a consistent manner. The Management Directorate's PARM will review existing CAE nomination procedures and associated checklists to identify opportunities for improvement. Potential revisions to these artifacts will be incorporated into guidance documents, as appropriate, to ensure a consistent approach moving forward. Additionally, PARM will review existing DHS CAE positions to ensure they were subject to this process, and rectify any shortcomings identified, as appropriate. Estimated Completion Date (ECD): September 30, 2021.

Recommendation 2: Ensure that the Component Acquisition Executives that are responsible for oversight of acquisition programs comply with Department of Homeland Security direction to complete Component Acquisition Executive support staffing plans.

Response: Concur. The USM agrees that the CAEs should complete CAE support staffing plans. PARM is reviewing DHS Instruction 102-01-006, "Acquisition Program Management Staffing," dated December 2, 2016, and will update it to include more formal reporting requirements and execution criteria for CAE support staffing plans, as appropriate. Additionally, PARM will engage more directly with CAE support staffs to provide assistance and guidance, as needed, to ensure CAE support staffing plans are completed in a timely manner. ECD: September 30, 2021.

Recommendation 3: Identify, in policy or guidance, the expertise that constitutes critical acquisition positions for effective Component Acquisition Executive oversight.

Response: Concur. The USM agrees it is important to specify the expertise required for critical acquisition positions to ensure effective CAE oversight. PARM is reviewing DHS Instruction 102-01-006 and associated guidance to identify critical acquisition positions within CAE support staff which will enable staff to provide the appropriate governance and oversight of acquisition programs. In addition, PARM will engage directly with CAE support staffs to further define these positions and the expertise required for them, as appropriate. ECD: September 30, 2021.

3

Recommendation 4: Direct the Office of Program Accountability and Risk Management to establish a timeframe for completing its assessment of the Investment Evaluation, Submission, and Tracking (INVEST) system data fields for which the Component Acquisition Executive certification is necessary, based on current use and reporting requirements, and take appropriate actions based on the results.

Response: Concur. The Executive Director for PARM agrees it is necessary to assess the data used in INVEST and plans to complete the assessment on the INVEST data approach in fiscal year (FY) 2021. PARM budgeted in FY 2021 for a new acquisition data analytics platform tool to better standardize, collect, connect, validate, store, manage, and analyze data used to support PARM governance, business processes, reporting, and decisional analysis requirements. The full evaluation of the INVEST system data roles will be examined as part of the work to review the CAE certification process currently done on INVEST data. Requirements determined in this assessment will inform the new platform. ECD: September 30, 2021.

4

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Marie A. Mak, (202) 512-4841 or makm@gao.gov

Staff Acknowledgments

In addition to the contact listed above, Rick Cederholm (Assistant Director), Betsy Gregory-Hosler (Analyst-in-Charge), Monique Nasrallah, Ashley Rawson, and Nicole Warder made key contributions to this report. Other significant contributors include Vinayak Balasubramanian, David Ballard, Rose Brister, Jenny Chanley, Roxanna T. Sun, and Anne Louise Taylor.

Appendix IV: Accessible Data

Data Tables

Accessible Data for Figure 2: Selected Component Acquisition Executive Responsibilities Established in Department of Homeland Security Policy

Oversight	Policy	Acquisition workforce	Acquisition data support
Representing the component at department Acquisition Review Boards for major acquisitions.	Managing and overseeing all component acquisition management functions.	Designing policies and processes to ensure that the best qualified persons are selected for acquisition management positions.	Ensuring DHS's source system data residing in the Investment Evaluation, Submission, and Tracking (INVEST) system are validated and submitted in a timely manner, for select acquisition programs.
Vetting acquisition programs prior to the department Acquisition Review Boards to ensure that the program and supporting documentation are ready.	Establishing acquisition management processes within the component.	Overseeing the development and maintenance of staffing plans for the Component Acquisition Executive support staff and each major acquisition program, including identifying critical positions, staffing gaps, and mitigation strategies.	Ensuring timely and complete response to Congressional requests.
Ensuring that supporting acquisition program documentation is complete and demonstrates the necessary critical thinking required for successful program execution.	Assisting the Chief Acquisition Officer in developing, implementing, and evaluating acquisition management policies.		
Ensuring that programs remain within established cost, schedule, and performance baselines, and reporting any breaches.	Working with the appropriate Chief Information Officers to implement policies for information technology acquisition programs.		

Accessible Data for Figure 3: Component Acquisition Executives for Selected Department of Homeland Security Components

Component	Component information
Transportation Security Administration	One CAE for all major and non-major acquisitions
United States Coast Guard	One CAE for all major and non-major acquisitions
Countering Weapons of Mass Destruction	One CAE for all major and non-major acquisitions
Customs and Border Protection	One CAE for all major and non-major acquisitions
Management Directorate (Five CAEs)	• CAE for the Management Directorate non-major acquisitions • CAE for the Office of the Chief Information Officer major acquisitions • CAE for one Office of the Chief Financial Officer major acquisition • CAE for the Office of Biometric Identity Management major acquisitions • CAE for the Office of the Chief Readiness Support Officer major acquisitions

CAE = Component Acquisition Executive

Agency Comment Letter

Accessible Text for Appendix II Comments from the Department of Homeland Security

Page 1

October 6, 2020

Marie A. Mak

Director, Contracting and National Security Acquisitions

U.S. Government Accountability Office

441 G Street, NW

Washington, DC 20548

Re: Management Response to Draft Report GAO-21-77, "HOMELAND SECURITY ACQUISITIONS: DHS Has Opportunities to Improve Its Component Acquisition Oversight"

Dear Ms. Mak:

Thank you for the opportunity to comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office's (GAO) work in planning and conducting its review and issuing this report.

Senior DHS leadership is pleased to note GAO's positive recognition of the strides the DHS acquisition community has made strengthening its oversight and management of acquisition programs. Leadership remains committed to improving our GAO high risk area of strengthening DHS management functions, to include establishing sufficient Component-level acquisition capability, as well as assessing that sufficient numbers of trained acquisition personnel are in place at the Department- and Component-levels.

The draft report contained four recommendations with which the Department concurs. Attached find our detailed response to each recommendation. DHS previously submitted technical comments under a separate cover for GAO's consideration.

Page 2

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.

Sincerely,

DAVID E SCHMITT

(for) JIM H. CRUMPACKER, CIA, CFE

Director

Departmental GAO-OIG Liaison Office

Attachment

Page 3

GAO recommended that the DHS Under Secretary for Management (USM):

Recommendation 1: Ensure that the Office of Program Accountability and Risk [PARM] Management and Component heads execute the Component Acquisition Executive [CAE] nomination and designation process consistently, as described in its guidance. This should include nominating and designating Component Acquisition Executives to oversee all acquisition programs.

Response: Concur. The USM agrees that the CAE nomination and designation process should be executed in a consistent manner. The Management Directorate's PARM will review existing CAE nomination procedures and associated checklists to identify opportunities for improvement. Potential revisions to these artifacts will be incorporated into guidance documents, as appropriate, to ensure a consistent approach moving forward. Additionally, PARM will review existing DHS

CAE positions to ensure they were subject to this process, and rectify any shortcomings identified, as appropriate.

Estimated Completion Date (ECD): September 30, 2021.

Recommendation 2: Ensure that the Component Acquisition Executives that are responsible for oversight of acquisition programs comply with Department of Homeland Security direction to complete Component Acquisition Executive support staffing plans.

Response: Concur. The USM agrees that the CAEs should complete CAE support staffing plans. PARM is reviewing DHS Instruction 102-01-006, "Acquisition Program Management Staffing," dated December 2, 2016, and will update it to include more formal reporting requirements and execution criteria for CAE support staffing plans, as appropriate. Additionally, PARM will engage more directly with CAE support staffs to provide assistance and guidance, as needed, to ensure CAE support staffing plans are completed in a timely manner. ECD: September 30, 2021.

Recommendation 3: Identify, in policy or guidance, the expertise that constitutes critical acquisition positions for effective Component Acquisition Executive oversight.

Response: Concur. The USM agrees it is important to specify the expertise required for critical acquisition positions to ensure effective CAE oversight. PARM is reviewing DHS Instruction 102-01-006 and associated guidance to identify critical acquisition positions within CAE support staff which will enable staff to provide the appropriate governance and oversight of acquisition programs. In addition, PARM will engage directly with CAE support staffs to further define these positions and the expertise required for them, as appropriate. ECD: September 30, 2021.

Page 4

Recommendation 4: Direct the Office of Program Accountability and Risk Management to establish a timeframe for completing its assessment of the Investment Evaluation, Submission, and Tracking (INVEST) system data fields for which the Component Acquisition Executive certification is necessary, based on current use and reporting requirements, and take appropriate actions based on the results.

Response: Concur. The Executive Director for PARM agrees it is necessary to assess the data used in INVEST and plans to complete the assessment on the INVEST data approach in fiscal year (FY) 2021. PARM budgeted in FY 2021 for a new acquisition data analytics platform tool to better standardize, collect, connect, validate, store, manage, and analyze data used to support PARM governance, business processes, reporting, and decisional analysis requirements. The full evaluation of the INVEST system data roles will be examined as part of the work to review the CAE certification process currently done on INVEST data. Requirements determined in this assessment will inform the new platform. ECD: September 30, 2021.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through our website. Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. You can also subscribe to GAO's email updates to receive notification of newly posted products.

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, https://www.gao.gov/ordering.htm.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on Facebook, Flickr, Twitter, and YouTube.
Subscribe to our RSS Feeds or Email Updates. Listen to our Podcasts.
Visit GAO on the web at https://www.gao.gov.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact FraudNet:

Website: https://www.gao.gov/fraudnet/fraudnet.htm

Automated answering system: (800) 424-5454 or (202) 512-7700

Congressional Relations

Orice Williams Brown, Managing Director, WilliamsO@gao.gov, (202) 512-4400,
U.S. Government Accountability Office, 441 G Street NW, Room 7125,
Washington, DC 20548

Public Affairs

Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548

Strategic Planning and External Liaison

James-Christian Blockwood, Managing Director, spel@gao.gov, (202) 512-4707
U.S. Government Accountability Office, 441 G Street NW, Room 7814,
Washington, DC 20548

Please Print on Recycled Paper.