



June 2021

# DHS OFFICE OF INSPECTOR GENERAL

## Actions Needed to Address Long-Standing Management Weaknesses

Accessible Version



A Century of Non-Partisan Fact-Based Work

### Actions Needed to Address Long-Standing Management Weaknesses

#### Why GAO Did This Study

DHS OIG plays a critical role in overseeing DHS, which encompasses multiple components and programs and has tens of billions of dollars in annual budgetary resources. However, DHS OIG has faced a number of long-standing management and operational challenges that have affected its ability to carry out its oversight mission effectively.

GAO was asked to review DHS OIG's management and operations. This report addresses the extent to which DHS OIG adheres to professional standards and key practices in its management and operations, among other objectives.

GAO reviewed DHS OIG management and operations from fiscal year 2015 through fiscal year 2020. GAO evaluated DHS OIG's processes against quality standards for federal OIGs, relevant federal standards for internal control, and human capital and organizational change leading practices. To do so, GAO reviewed DHS OIG documents, interviewed officials, and analyzed DHS OIG data and published reports.

#### What GAO Recommends

GAO is making 21 recommendations to DHS OIG to address management and operational weaknesses related to performance management, quality assurance, reporting timeliness, and coordination with DHS, among others.

DHS OIG concurred with each of GAO's 21 recommendations.

#### What GAO Found

Since fiscal year 2015, the Department of Homeland Security (DHS) Office of Inspector General (OIG) has not adhered to a number of professional standards for federal OIGs and key practices for effective management. Frequent leadership turnover and associated shifts in leadership priorities have contributed to DHS OIG's long-standing management and operational weaknesses and impeded efforts to address them. DHS OIG senior leaders acknowledge that various challenges have contributed to these weaknesses, and have taken steps to begin to address some of them, as follows:

- **Organizational performance management:** DHS OIG has operated for 4 of the past 6 years without a strategic plan. This limits its ability to implement other organizational performance management activities, such as annual planning and performance assessment. In the absence of a strategic plan, GAO found that DHS OIG staff may not understand its oversight priorities and goals, which can negatively affect operations and staff performance. In 2020, DHS OIG contracted with a nonprofit academy of government experts to develop a strategic plan for fiscal years 2021–2025, with expected completion in June 2021.
- **Quality assurance:** DHS OIG has not developed or implemented organization-wide roles and responsibilities for quality assurance. DHS OIG retracted some reports in recent years because they did not adhere to professional standards. Because there is no overarching system of internal quality assurance for audit, inspection, evaluation, and other work, DHS OIG cannot know if its internal processes ensure that its work (1) adheres to its policies and (2) meets established standards of performance.
- **Report timeliness:** Project time frames have increased in recent years, and DHS OIG has not taken steps to understand the causes of such increases or determine how to address them. For example, in the Office of Audits, eight of 102 projects completed in fiscal year 2017 took more than 18 months, compared to more than half (35 of 67) of projects completed in fiscal year 2020. Without timely DHS OIG reports, DHS's ability to respond to such oversight efforts and Congress's ability to conduct effective oversight of DHS operations are limited.
- **Coordination with DHS:** DHS OIG does not have a consistent process for coordinating with DHS components to receive and respond to technical and management comments on DHS OIG audit, inspection, and evaluation work. Further, DHS officials do not have confidence in DHS OIG's processes to (1) correct factual errors before finalizing reports and (2) redact sensitive but unclassified information before publicly issuing reports. As a result, the process by which DHS OIG resolves DHS's comments is at risk of miscommunication and misunderstandings.

These and additional weaknesses GAO identified are of particular concern given that OIGs need to maintain high standards of professionalism and integrity in light of their mission, according to quality standards for federal OIGs. Without addressing these and other long-standing management and operational weaknesses, DHS OIG is not well positioned to fulfill its oversight mission.

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### Abbreviations

CIGIE	Council of the Inspectors General on Integrity and Efficiency
DHS	Department of Homeland Security
GAGAS	generally accepted government auditing standards
GPRA	Government Performance and Results Act of 1993
GPRAMA	Government Performance and Results Act Modernization Act of 2010
IQO	Office of Integrity and Quality Oversight
NAPA	National Academy of Public Administration
OERIM	Office of Enterprise Risk Identification and Management
OIG	Office of Inspector General
OPM	Office of Personnel Management
OPM FEVS	Office of Personnel Management's Federal Employee Viewpoint Survey
SES	Senior Executive Service

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June 3, 2021

### Congressional Requesters

The Department of Homeland Security's (DHS) Office of Inspector General (OIG), which has about 700 employees, is to provide independent and objective oversight of DHS—the third-largest federal department with 15 operational and support components, approximately 240,000 staff, and tens of billions of dollars in annual budgetary resources. DHS's operations span counterterrorism, border security and immigration, critical infrastructure and cyber security, and disaster preparedness and response.

We reported on DHS OIG's structure, policies, and procedures in 2014 and made three recommendations to improve operations, which DHS OIG implemented.<sup>1</sup> Since then, DHS OIG has faced challenges related to the quality of some of its work, the improper activities of some of its staff and leaders, and turnover and vacancies in key leadership positions. These challenges have affected DHS OIG's ability to carry out its oversight mission effectively.

### Specifically:

- In 2017 and 2018, DHS OIG retracted 13 audit reports issued by its Office of Emergency Management Oversight after an internal review found that the reports may not have adhered to government auditing standards.<sup>2</sup> DHS OIG issued these reports over a 5-year period from 2013 through 2017. In 2018, peer reviewers organized under the

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<sup>1</sup>GAO, *Inspectors General: DHS OIG's Structure, Policies, and Procedures Are Consistent with Standards, but Areas for Improvement Exist*, [GAO-14-726](#) (Washington, D.C.: Sep. 24, 2014).

<sup>2</sup>GAO's *Government Auditing Standards*, or GAGAS, provides a framework for conducting high-quality audits with competence, integrity, objectivity, and independence. The standards were updated in July 2018, and the 2018 revision of the standards is effective for performance audits beginning on or after July 1, 2019 and for financial audits, attestation engagements, and reviews of financial statements for the period ending on or after June 30, 2020. GAO, *Government Auditing Standards 2018 Revision*, [GAO-18-568G](#) (Washington, D.C.: July 17, 2018). The prior 2011 revision of the standards was effective for performance audits beginning on or after December 15, 2011 and for financial audits and attestation engagements for the period ending on or after December 15, 2012. GAO, *Government Auditing Standards 2011 Revision*, [GAO-12-331G](#) (Washington, D.C.: Dec. 1, 2011).

Council of the Inspectors General on Integrity and Efficiency (CIGIE) gave DHS OIG a “pass with deficiency” rating for its audit work based on this issue.<sup>3</sup> The peer reviewers determined that the Office of Emergency Management Oversight’s processes did not assure compliance with government auditing standards and internal policies and procedures and determined that DHS OIG needed to improve the system of quality control for its audit work.

- In the spring of 2020, a former acting Inspector General and a former information technology manager were federally indicted on charges of stealing DHS OIG databases, including personally identifiable information of tens of thousands of DHS employees and case information related to DHS OIG investigations.<sup>4</sup> In 2019, another former information technology manager pled guilty to a federal charge related to this database theft and agreed to cooperate with prosecutors in their investigations. According to the Department of Justice, this alleged scheme took place from 2014 to 2017.
- For the 6-year period from fiscal years 2015 through 2020, DHS OIG has had four confirmed or acting Inspectors General. Several key leadership positions—including the Assistant Inspector General for Audits, Assistant Inspector General for Investigations, Assistant Inspector General for Special Reviews and Evaluations, and Counsel—have had similarly high turnover over the same time period.<sup>5</sup>
- Further, in the summer of 2020, the Inspector General announced the termination of a member of the office’s leadership team because she

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<sup>3</sup>A “pass with deficiencies” rating indicates that the peer review team concluded that DHS OIG did not have reasonable assurance that its work conformed with applicable professional standards in one or more important respects. CIGIE’s mission is to support the work of federal Inspectors General by, among other things, developing policies, standards, and approaches to aid Inspectors General in developing a skilled workforce to conduct their oversight work. CIGIE also administers a peer review program to support federal OIGs in their compliance with professional standards and statutory requirements. Specifically, GAGAS requires that audit organizations that perform audit or attestation engagements in accordance with those professional standards—including OIGs—establish and maintain a system of quality control and undergo an external peer review at least once every 3 years.

<sup>4</sup>This individual was acting Inspector General from February 2011 until December 2013, when he left DHS OIG. An indictment is an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

<sup>5</sup>DHS OIG leadership created the Office of Special Reviews and Evaluations in 2018. It includes the former Office of Inspections and Evaluations. The Office of Inspections and Evaluations also had high leadership turnover.

“falsely held herself out as the Acting Inspector General for 6 weeks in June and July 2019.” Another member of the leadership team was placed on administrative leave for related issues. About the same time, the Inspector General announced to staff that he had hired a law firm to conduct an independent inquiry into additional allegations of impropriety by three DHS OIG leaders, including these two individuals, and instructed staff to cooperate with the law firm. The law firm’s investigation, completed in December 2020, concluded that one senior leader, with the assistance of the other two individuals, engaged in unprofessional conduct to the detriment of the office and its mission. It did not find evidence that these individuals engaged in illegal conduct.<sup>6</sup>

In light of these challenges, you asked us to review DHS OIG’s management and operations. This report examines the extent to which (1) DHS OIG incorporated selected key organizational transformation practices in implementing organizational change from fiscal year 2015 through fiscal year 2020; (2) DHS OIG management policies and procedures are consistent with professional standards; and (3) DHS OIG’s Office of Audits and Office of Special Reviews and Evaluations completed their work consistent with professional standards.

Our review focused on management and operations from fiscal year 2015 through fiscal year 2020. We have also included information on the status of ongoing efforts in fiscal year 2021. In general, we assessed DHS OIG’s management and operations against a subset of standards formulated and adopted by CIGIE in its *Quality Standards for Federal Offices of Inspector General* (quality standards for OIGs).<sup>7</sup> Those standards provide the framework for each OIG to conduct official duties in a professional manner and include guidelines for (1) planning and coordinating work, (2) managing human capital, (3) ensuring internal control, (4) adhering to professional work standards, (5) maintaining quality assurance, and (6)

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<sup>6</sup>According to the report of investigation, the law firm reviewed 88 allegations pertaining to these three senior leaders and found evidence that one leader, with the assistance of the two others, engaged in unprofessional conduct that elevated her interests over those of the public. The investigation did not find evidence substantiating many of the other allegations, including that these individuals engaged in illegal conduct.

<sup>7</sup>CIGIE, *Quality Standards for Federal Offices of Inspector General* (Washington, D.C.: August 2012).

communicating the results of OIG activities.<sup>8</sup> We examined the first three of these standards as part of our second objective on DHS OIG's management policies and procedures and the latter three of these standards as part of our third objective on the work of the Office of Audits and Office of Special Reviews and Evaluations. CIGIE quality standards for OIGs are based, in part, on internal control standards, as discussed more specifically for each objective below.

To address all of our objectives, we reviewed documentation about DHS OIG's organizational structure and policies; internal communication such as emails and memoranda; and public documents, such as DHS OIG's semiannual reports to Congress and published reports. We interviewed DHS OIG senior leaders—members of the Senior Executive Service (SES) and office division or function leaders—and other staff knowledgeable about the organization's operations, as referred to us by the leaders we interviewed. To understand the perspectives of DHS OIG staff, we reviewed and analyzed records of exit interviews, as available, with staff who left DHS OIG in fiscal year 2015 through fiscal year 2018 and DHS OIG internal assessments of strengths, weaknesses, opportunities and threats conducted in fiscal year 2017 and fiscal year 2019.<sup>9</sup>

To address our first objective, we reviewed documents and interviewed officials to identify organizational changes DHS OIG implemented from fiscal year 2015 through fiscal year 2020. We identified nine organizational changes that DHS OIG leadership implemented during this time period. We compared the steps DHS OIG took to implement these

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<sup>8</sup>CIGIE quality standards for OIGs also include standards for OIG: ethics, independence, and confidentiality; reviewing legislation and regulations; and receiving and reviewing allegations. In this review, we did not evaluate DHS OIG's policies and procedures related to these quality standards because we determined that, relative to CIGIE's other quality standards, they were less directly relevant to the organization's management procedures and the quality of its work. We previously reported on the extent to which the design of DHS OIG's policies and procedures was consistent with applicable independence standards, see: [GAO-14-726](#).

<sup>9</sup>According to DHS OIG officials, exit interviews are not available for fiscal year 2019 or 2020.

changes with selected key practices and implementation steps to assist federal agencies in implementing organizational change.<sup>10</sup>

To address our second objective, we focused on three quality standards for OIGs, as noted above, specifically: (1) planning and organizational performance management, (2) human capital management, and (3) ensuring internal control. We reviewed relevant documentation from DHS OIG from fiscal year 2015 through fiscal year 2020, including internal communications such as emails and draft memoranda. We also met with multiple DHS OIG officials from each program and mission support office to discuss management policy and procedure topics relevant to their respective functions.

- With regard to planning and organizational performance management, we reviewed DHS OIG documentation related to its work, strategic, and performance planning efforts, including internal project plans, draft and final strategic plans, and the statement of work for contracted support.
- With regard to human capital management, we reviewed documentation related to staffing and performance management, including documentation about staff allocations and hiring as well as documentation about performance management from internal assessments.
- With regard to internal controls, we reviewed documentation related to: (1) the organizational design and assignment of responsibility, including organization charts, draft policies, and internal communications about DHS OIG's structure and the assignment of responsibilities; (2) risk assessment, including project plans, work products, and documentation of internal assessment activities; and (3) organizational policies, including policy and processes for developing and revising organizational policies, draft and final policies, and internal communications related to the policy process and its implementation.

We assessed DHS OIG's processes for planning and organizational performance management; human capital management; and organizational controls against quality standards for OIGs and other

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<sup>10</sup>GAO, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, [GAO-03-669](#) (Washington, D.C.: July 2, 2003). We determined seven of the nine key practices were relevant to this engagement. Additional details about our selection methodology are provided in appendix I.

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criteria, such as requirements from the Government Performance and Results Act Modernization Act of 2010 (GPRAMA), leading practices from our prior work on human capital management, and standards for internal control.<sup>11</sup>

To address our third objective, we focused on three quality standards for OIGs, as noted above, specifically: (1) adhering to professional work standards, (2) maintaining quality assurance, and (3) communicating the results of OIG activities. We included the Offices of Audits and Special Reviews and Evaluations in this objective because they generally plan their projects in advance and report the results of their work publicly.<sup>12</sup> We reviewed relevant documentation, including published reports and internal quality assessments, met with selected DHS and DHS OIG officials about DHS OIG's work, and analyzed data from public reports and DHS OIG's project tracking data system.

- With regard to adhering to professional work standards, we reviewed Office of Audits, Office of Special Reviews and Evaluations, and Office of Integrity and Quality Oversight documentation, such as manuals and job aids, that includes policies and procedures for how teams are to conduct their work.
- In the area of maintaining quality assurance, we reviewed internal and external documentation, such as documentation describing quality assurance activities, internal quality assurance reviews, and external peer reviews.
- Finally, with regard to communicating the results of activities, we reviewed documentation that describes how DHS OIG is to

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<sup>11</sup>Pub. L. No. 111-352, §2, 124 Stat. 3866. See, for example: GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: Dec. 11, 2003) and GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sep. 10, 2014). Although GPRAMA requirements to develop a strategic plan and associated annual performance plans and other reports apply at the departmental level (e.g., DHS)—and therefore not explicitly to DHS OIG—CIGIE's standards for planning and organizational performance management are built on GPRAMA requirements.

<sup>12</sup>We did not include work completed by the Office of Investigations in the scope of this objective because our methodology relied on reviewing publicly available reports—both for content related to professional standards and date-related information to inform data reliability on time frames for completing work. Investigative reports are generally not made publicly available. Additionally, we could not evaluate the time frames for completing investigations because the scope and timing of most investigations are based on allegations of misconduct. In other words, unlike other OIG work such as audits, investigations are not planned or scoped in advance.

communicate the results of its activities, including policies, manuals and job aids. We also examined public reports describing DHS OIG's activities, including audits, inspections, and evaluations and DHS management letters printed in those reports. Additionally, we analyzed project time frames from fiscal year 2015 through fiscal year 2020 using data in DHS OIG's project tracking system. We reviewed documentation, including a user guide, related to the project tracking system. We also conducted manual testing of the data and interviewed knowledgeable agency officials regarding the data. We determined that the project tracking data was sufficiently reliable for us to report on the start and end dates for projects.

We assessed the extent to which DHS OIG's processes for adhering to professional standards, maintaining quality assurance, and communicating the results of OIG activities are consistent with quality standards for OIGs.

For more details on our scope and methodology, see appendix I.

We conducted this performance audit from March 2020 to June 2021 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.

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## Background

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### DHS OIG's Organizational Structure

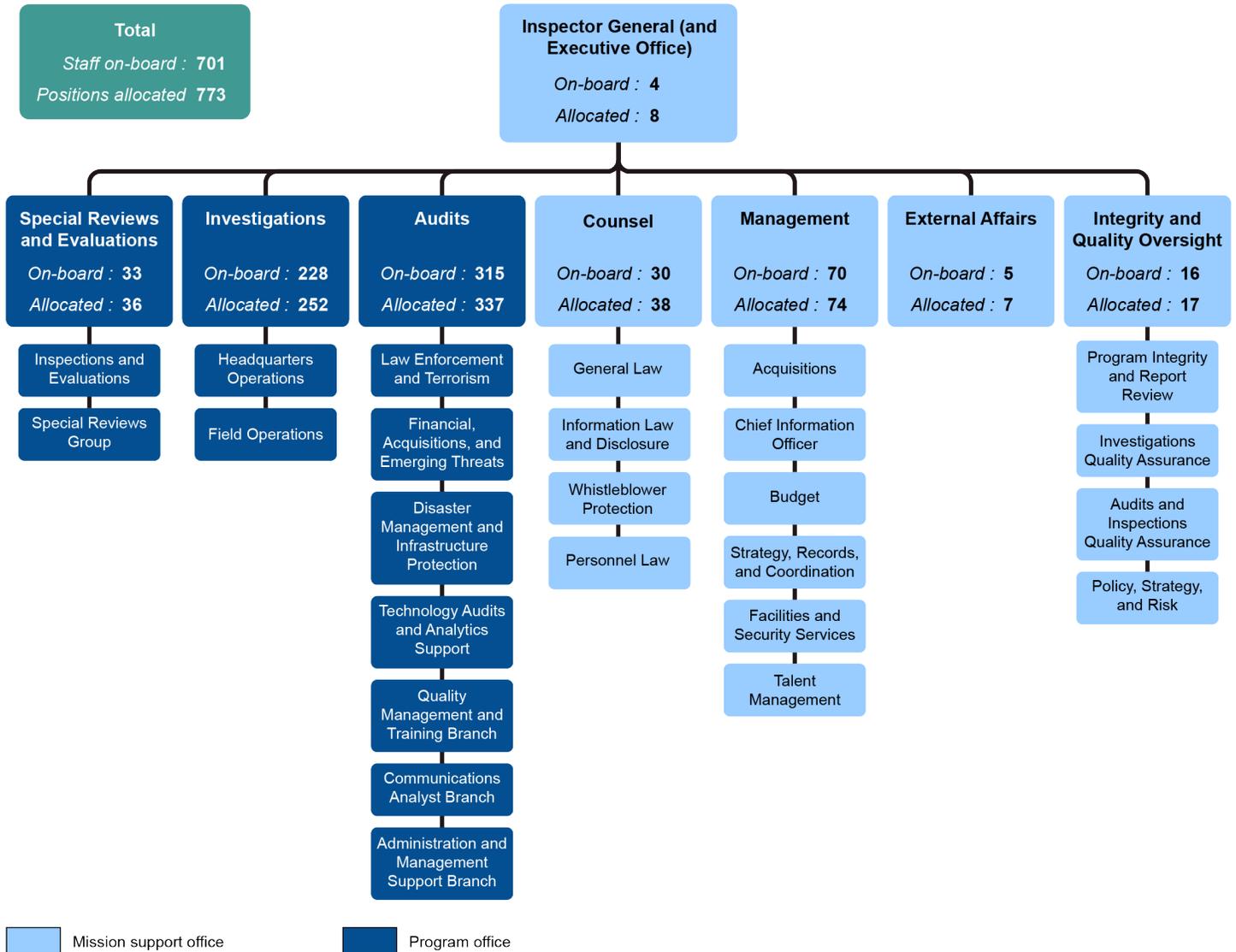
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The DHS Inspector General serves under the general supervision of the Secretary of Homeland Security and leads the office. By statute, Inspectors General have a dual and independent reporting relationship to the agency head and to the Congress.<sup>13</sup> DHS OIG is structured as shown in figure 1.

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<sup>13</sup>Inspector General Act of 1978, Pub. L. No. 95-452, § 5(d), 92 Stat. 1103, as amended.

**Figure 1: Department of Homeland Security (DHS) Office of Inspector General (OIG) Organization Chart, including Staff On-board and Positions Allocated, as of September 2020**



Source: GAO analysis of Department of Homeland Security Office of Inspector General documents. | GAO-21-316

Note: There are 769 positions allocated to offices. According to OIG documentation, there are 4 vacant staff positions not assigned to an office by the Inspector General, for a total of 773 positions allocated to the organization.

Most offices are led by an Assistant Inspector General, and some offices have one or more Deputy Assistant Inspectors General.<sup>14</sup> The Executive Office is led by the Inspector General and the Office of Counsel is led by the Counsel to the Inspector General.

DHS OIG includes three offices whose primary mission is to directly conduct oversight of DHS components, programs, and activities.<sup>15</sup> Throughout this report, we refer to these as program offices. They are:

- **Office of Audits.** Plans, conducts, and reports the results of financial and performance audits, attestation engagements, and inspections and evaluations across DHS and its components. Provides services in support of program office work, including system testing, data analytics, and statistical analysis.
- **Office of Special Reviews and Evaluations.** Plans, conducts, and reports the results of inspections, evaluations, and special reviews across DHS and its components.
- **Office of Investigations.** Investigates allegations of criminal, civil, and administrative misconduct involving DHS employees, contractors, grantees, and programs, which may result in criminal prosecutions, fines, and personnel actions, among other outcomes.

DHS OIG also includes five offices that support the oversight activities and management of the organization, as follows:

- **Executive Office.** Provides executive leadership and sets the strategic direction for the organization, as directed by the Inspector General. The Executive Office includes the Inspector General, Deputy Inspector General, Chief of Staff, and supporting staff.<sup>16</sup>

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<sup>14</sup>Within DHS OIG, the Deputy Inspector General, Chief of Staff, Assistant Inspector General, and Deputy Assistant Inspector General positions are in the Senior Executive Service (SES).

<sup>15</sup>In addition, one of four divisions in the Office of Integrity and Quality Oversight conducts oversight reviews of DHS component internal affairs offices in addition to reviews of DHS OIG investigations. The other three divisions conduct oversight of DHS OIG, according to OIG documentation.

<sup>16</sup>From May 2018 through November 2018, the Executive Office included a Chief Operating Officer.

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- **Office of Counsel.** Provides legal guidance, support, and services to the Inspector General, other leaders, and staff, and conducts whistleblower retaliation investigations.<sup>17</sup>
  - **External Affairs.** Provides information to stakeholders including members of Congress, the general public, and the media.
  - **Office of Management.** Provides support for budget, human resources, procurement, facilities, security, training, and information technology management functions.
  - **Office of Integrity and Quality Oversight (IQO).** Provides independent, objective oversight of all OIG and certain DHS programs and operations, including DHS OIG operations, audits, inspections, evaluations, investigations, and DHS component offices of internal affairs.

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## Employee Engagement

We have previously reported on the importance of employee engagement—employees’ sense of purpose that is evident in their display of dedication, persistence, and effort in their work or overall attachment to their organization and its mission—on organizational performance. Specifically, in 2015, we reported that a number of studies of private-sector entities have found that increased levels of employee engagement resulted in better individual and organizational performance.<sup>18</sup> Studies of the public sector, while more limited, have shown similar benefits. In January 2021, we reported on the importance of employee engagement at DHS—of which DHS OIG is a part—given engagement’s impact on agency performance and the importance of DHS’s missions.<sup>19</sup>

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<sup>17</sup>A whistleblower is any DHS employee, former employee, contractor, subcontractor, grantee, or applicant, or member of the Coast Guard, who discloses information they reasonably believe is evidence of wrongdoing—including violation of a law, rule or regulation; waste of funds or abuse of authority; and danger to public health or safety. OIGs across the government oversee investigations of whistleblower complaints, which can include protecting whistleblowers from reprisal.

<sup>18</sup>GAO, *Federal Workforce: Additional Analysis and Sharing of Promising Practices Could Improve Employee Engagement and Performance*, [GAO-15-585](#) (Washington, D.C.: July 14, 2015).

<sup>19</sup>GAO, *DHS Employee Morale: Some Improvements Made, but Additional Actions Needed to Strengthen Employee Engagement*, [GAO-21-204](#) (Washington, D.C. Jan. 12, 2021).

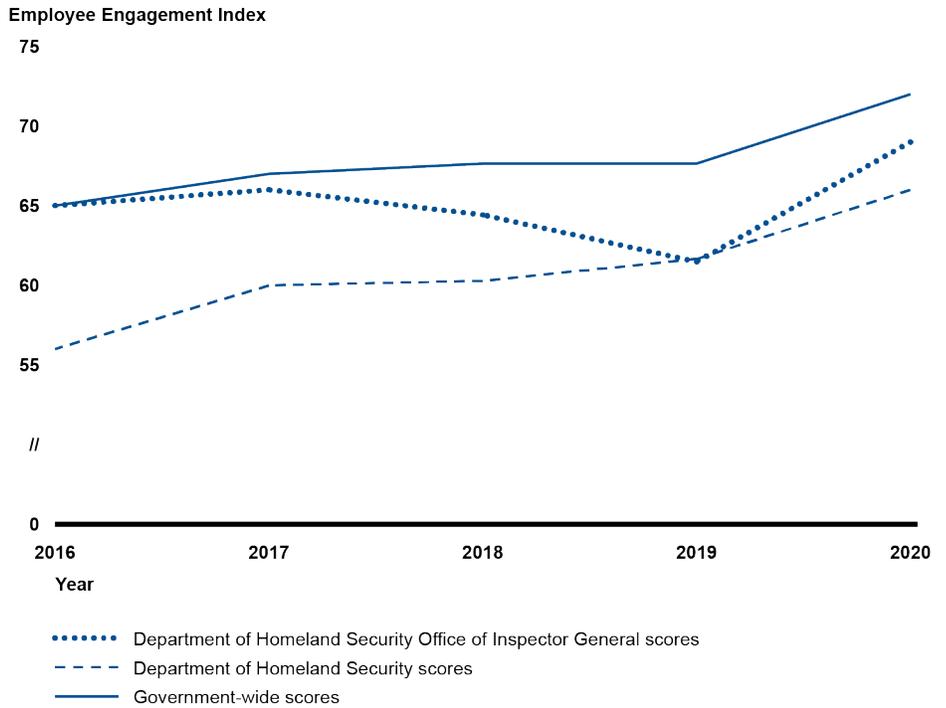
DHS OIG results from the Office of Personnel Management's Federal Employee Viewpoint Survey (OPM FEVS) show a trend of declining employee engagement for several years, followed by a substantial increase in 2020. The OPM FEVS Employee Engagement Index measures whether the conditions that lead to engaged employees are present in an agency.<sup>20</sup> OPM FEVS data show that the Employee Engagement Index for DHS OIG decreased from 2017 through 2019 and then increased in 2020, while the Employee Engagement Index scores for DHS and the federal government increased each year, as shown in figure 2. Specifically, DHS OIG's Employee Engagement Index fell 4 percentage points from 2016 to 2019, while the Employee Engagement Index for all of DHS increased by 6 percentage points and the government-wide Employee Engagement Index increased by 3 percentage points over the same time period. In 2020, the Employee Engagement Index increased government-wide, for DHS, and for DHS OIG, with the largest increase of 8 percentage points at DHS OIG.<sup>21</sup>

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<sup>20</sup>Employees' responses to OPM FEVS measure their perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. These responses also serve as a tool for employees to share their perceptions in many critical areas including their work experiences, their agencies, and leadership.

<sup>21</sup>The Office of Personnel Management released data for the 2020 survey in April 2021. As of May 2021, the technical report that provides information on the survey's methods, including data weighting and analysis, was not yet available for us to conduct more detailed analysis. Further, according to OPM FEVS, interpretation of any score changes between 2020 and prior years must be made very cautiously. As confirmed by research, revisions to survey instrument content and the timing of survey administration have an impact on the perceptions of respondents and by extension, results. Care should be taken in attributing score differences to any one cause, especially with respect to 2020 in which large changes were made to both the instrument (e.g., removal of core items, introduction of new content, new introductory text) and survey administration procedures (e.g., time frame for the survey delayed to fall rather than the usual spring administration).

**Figure 2: Federal Employee Viewpoint Survey Employee Engagement Index, 2016–2020**



Source: GAO analysis of Federal Employee Viewpoint Survey data. | GAO-21-316

**Data table for Figure 2: Federal Employee Viewpoint Survey Employee Engagement Index, 2016–2020**

Year	Government-wide Score	DHS Score	DHS OIG Scores
2016"	20	11	20
2017"	22	15	21
2018"	22.6454	15.2851	19.4279
2019"	22.6454	16.6555	16.4832
2020"	27	21	24

Note: The Federal Employee Viewpoint Survey Employee Engagement Index measures whether the conditions that lead to engaged employees are present in an agency. The Office of Personnel Management released data for the 2020 survey in April 2021.

## CIGIE and Federal OIG Quality Standards

CIGIE is composed of 73 Inspectors General and was statutorily established as an independent entity within the executive branch by the

Inspector General Reform Act of 2008.<sup>22</sup> CIGIE’s mission is to support the work of federal Inspectors General by, among other things, developing policies, standards, and approaches to aid Inspectors General in their oversight work. CIGIE also facilitates the peer review process for OIGs’ audit, investigation, and inspection and evaluation work.

The community of federal Inspectors General, organized through CIGIE, collectively formulated and adopted quality standards for OIGs to guide the conduct of federal OIGs. These standards state that OIGs are expected to maintain high standards of professionalism and integrity in light of the mission of Inspectors General under the Inspector General Act.<sup>23</sup>

Quality standards for OIGs include professional standards for planning, establishing an efficient and effective organization, managing risk, and ensuring staff possess the requisite qualifications to produce quality work, as shown in table 1.<sup>24</sup>

**Table 1: Council of the Inspectors General on Integrity and Efficiency (CIGIE) Quality Standards for Federal Offices of Inspector General**

Quality standard	Description
Ethics, independence, and confidentiality	The Inspector General and Office of Inspector General (OIG) staff are to adhere to the highest ethical principles by conducting their work with integrity, objectivity, independence, professional judgment, and confidentiality.
Professional standards	Each OIG is to conduct, supervise, and coordinate its audits, investigations, inspections, and evaluations in compliance with applicable professional standards.
Ensuring internal control	The Inspector General and OIG staff are to direct and control OIG operations consistent with Standards for Internal Control in the Federal Government. <sup>a</sup> These standards provide the overall framework for establishing and maintaining an effective internal control system to help ensure that an entity achieves its objectives and fulfills its mission.

<sup>22</sup>Pub. L. No. 110-409, §7(a), 122 Stat. 4305; 5 U.S.C. App. § 11. All Inspectors General whose offices are established under Section 2 or Section 8G of the Inspector General Act of 1978, including those that are presidentially appointed and Senate confirmed and those that are appointed by agency heads (designated federal entities), are members of CIGIE. 5 U.S.C. App. § 11.

<sup>23</sup>The Inspector General Act established OIGs as independent and objective units to review agency activities. Inspector General Act of 1978, Pub. L. No. 95-452, § 5(d), 92 Stat. 1103, as amended. CIGIE, *Quality Standards for Federal Offices of Inspector General* (Washington, D.C.: August 2012).

<sup>24</sup>CIGIE standards also incorporate by reference the professional standards for audit, investigation, and inspection and evaluation work as well as *Standards for Internal Control in the Federal Government*. (Pub. L. No. 95-452, 92 Stat. 1101.)

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Quality standard	Description
Maintaining quality assurance	Each OIG is to establish and maintain a quality assurance program to ensure that work performed adheres to OIG policies and procedures; meets established standards of performance, including applicable professional standards; and is carried out economically, efficiently, and effectively.
Planning and coordinating	Each OIG is to maintain a planning system to assess the nature, scope, and inherent risks of agency programs and operations. This assessment forms the basis for the OIG to establish strategic and performance plans, including goals, objectives, and performance measures to be accomplished by the OIG within a specific time period.
Communicating results of OIG activities	Each OIG is to keep agency management, program managers, and Congress informed of appropriate aspects of OIG operations and findings. All products issued should comply with applicable professional standards and confirm to the OIG's established policies and procedures; all reports should be objective, timely, and useful; and all products should be adequately supported.
Managing human capital	Each OIG should have a process to ensure that OIG staff collectively possess the core competencies to accomplish the OIG mission. This should include processes for recruiting, hiring, training, and evaluating staff, and succession planning to ensure that the organization maintains a workforce with the ability to meet the OIG mission.
Reviewing legislation and regulations	Each OIG is to establish and maintain a system to review and comment on existing and proposed legislation, regulations, and those directives that affect the programs and offices of the OIG and the agency over which the OIG conducts oversight.
Receiving and reviewing allegations	Each OIG is to establish and follow policies and procedures to receive and review allegations and should ensure that an appropriate disposition, including appropriate notification, is made for each allegation.

Source: GAO analysis of CIGIE, *Quality Standards for Federal Offices of Inspector General* (Washington, D.C.: August 2012). | GAO-21-316

Note: In this review, we did not evaluate DHS OIG's policies and procedures for: ethics, independence, and confidentiality; reviewing legislation and regulations; or receiving and reviewing allegations.

<sup>a</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sep. 10, 2014).

CIGIE quality standards for OIGs states that each OIG is to conduct its work in compliance with applicable professional standards, as shown in table 2.

**Table 2: Council of the Inspectors General on Integrity and Efficiency (CIGIE) Professional Standards for Office of Inspector General (OIG) Work**

Type of work	Professional standard
Audit	<i>Government Auditing Standards</i> (commonly referred to as generally accepted government auditing standards or GAGAS), issued by GAO
Investigation	<i>Quality Standards for Investigations</i> , issued by the CIGIE and consistent with applicable Department of Justice guidelines and case law
Inspection and evaluation	<ul style="list-style-type: none"> <li><i>Quality Standards for Inspection and Evaluation</i>, issued by CIGIE</li> <li>GAGAS, issued by GAO</li> <li>Other appropriate professional standards<sup>a</sup></li> </ul>

Source: GAO analysis of CIGIE, *Quality Standards for Federal Offices of Inspector General* (Washington, D.C.: August 2012). | GAO-21-316

<sup>a</sup>CIGIE officials told us that other appropriate professional standards could include an OIG policy or other internal standard to describe the specific steps under which the work was planned and completed. In 2020, CIGIE's Pandemic Response Accountability Committee issued *Agile Products Toolkit*, which provides guidance on appropriate professional standards for OIG agile products, such

as those products describing emergent issues requiring a rapid response. This guidance states that agile products are to comply with key aspects of OIG professional standards, such as independence, due professional care, and quality assurance and recommends that such products include a standards policy statement indicating the standards under which the report was issued.

Specifically, audits are to comply with *Government Auditing Standards* (commonly referred to as generally accepted government auditing standards or GAGAS). GAGAS provides a framework for conducting high-quality projects and contains requirements and guidance dealing with ethics, independence, professional judgment and competence, quality control, conducting the project, and reporting, among others. According to CIGIE officials, GAGAS requirements are prescriptive.

Inspections and evaluations are to comply with CIGIE's *Quality Standards for Inspection and Evaluation* (CIGIE inspection and evaluation standards), GAGAS, or other appropriate professional standards. CIGIE inspection and evaluation standards are flexible and not overly prescriptive by design. The standards are meant to be interpreted through the professional judgement of inspectors as they make decisions involved in conducting inspection or evaluation work.

CIGIE officials told us that other appropriate professional standards could include an OIG policy or other internal standard to describe the specific steps under which the work was planned and completed. In addition, CIGIE's *Agile Products Toolkit* says that if an OIG report does not follow GAGAS or CIGIE inspection and evaluation standards, the work should (1) follow CIGIE standards for federal OIGs and (2) include a standards policy statement indicating the standards under which the report was issued and that the work adhered to the professional standards of independence, due professional care, and quality assurance and followed procedures to ensure accuracy of the information presented.<sup>25</sup>

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<sup>25</sup>CIGIE Pandemic Response Accountability Committee, Audit Subcommittee, *Agile Products Toolkit*, (2020). According to the toolkit, an "agile product" may be used for (1) urgent risk identification, (2) information sharing, (3) interim assessment, and (4) summarizing lessons learned. CIGIE defines due professional care as acting with integrity, exercising objectivity, and maintaining professional skepticism as well as ensuring that team members collectively possess the knowledge, skills, and abilities to gather information and objectively evaluate the sufficiency and appropriateness of evidence.

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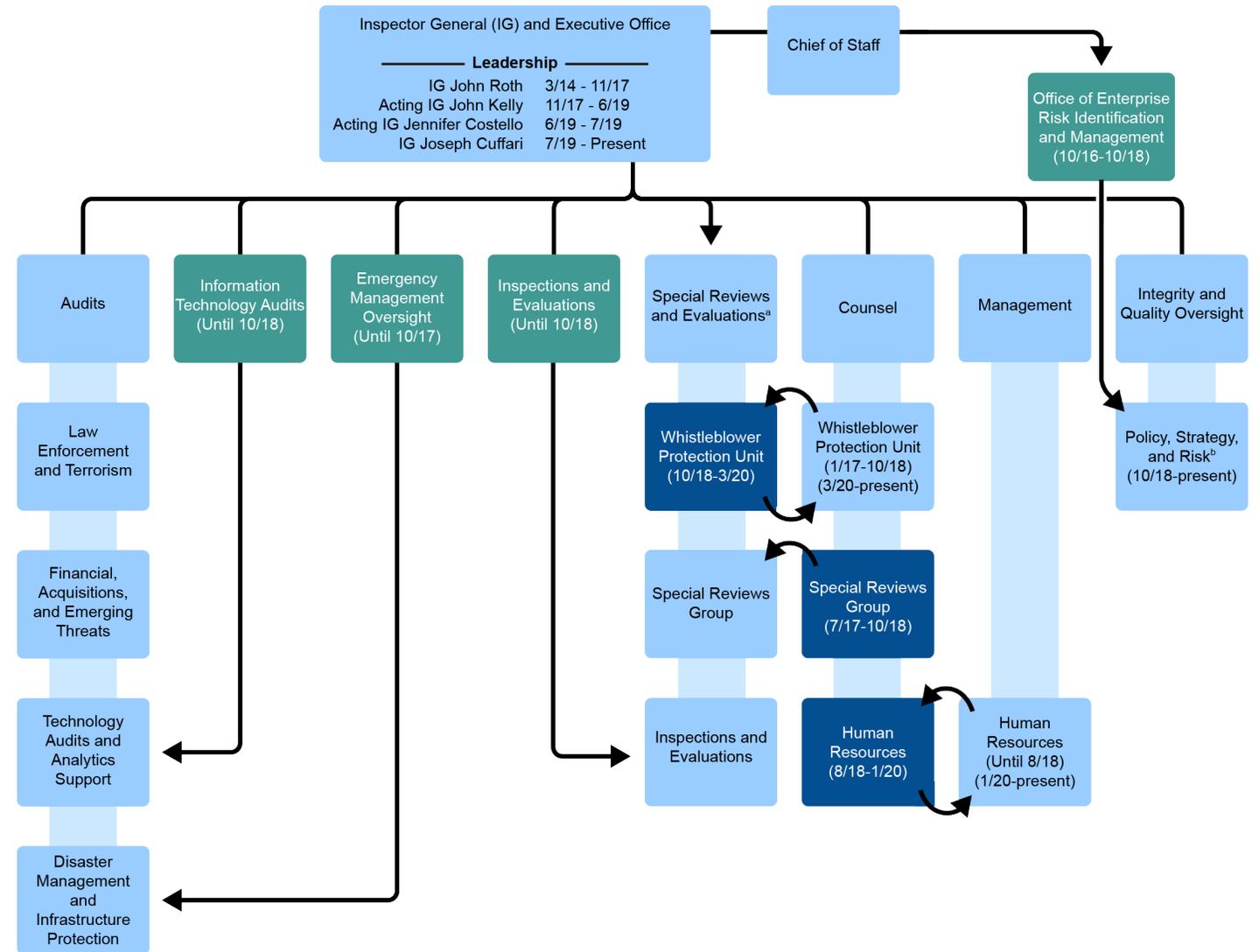
## DHS OIG Has Not Consistently Followed Selected Key Practices for Organizational Change

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### DHS OIG Underwent Many Organizational and Leadership Changes

From fiscal year 2015 through fiscal year 2020, DHS OIG, under the leadership of four confirmed or acting Inspectors General, implemented a number of organizational changes that moved some functions and consolidated some program offices. Collectively, these organizational changes affected five of seven offices and more than 50 percent of staff. These organizational changes are shown in figure 3 and discussed in greater detail below.

**Figure 3: Department of Homeland Security (DHS) Office of Inspector General (OIG) Leadership and Organizational Changes, Fiscal Years 2015–2020**



Office or function as of September 2020
  Legacy office or function
  Moved function
  Creation or movement of an office or function

Source: GAO analysis of Department of Homeland Security Office of Inspector General documents and interviews. | GAO-21-316

<sup>a</sup>According to DHS OIG officials, the Special Reviews Group was disbanded in November 2020 and attorneys working in the group were reassigned from the Office of Special Reviews and Evaluations to the Office of Counsel.

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<sup>b</sup>When the Office of Enterprise Risk Identification and Management's activities moved to the Office of Integrity and Quality Oversight (IQO) in 2018, the new division in IQO was called Planning and Risk Assessment. Its name subsequently changed in March 2019 to Policy, Strategy, and Risk.

1. **Creation of the Office of Enterprise Risk Identification and Management (OERIM) (2016).** OERIM, created in 2016, operated under the supervision of the Inspector General's chief of staff. Prior to 2016, DHS OIG did not have a team dedicated to risk management, and the new office was meant to introduce risk-based planning. DHS OIG created this office, in part, in response to the Office of Management and Budget updating one of its circulars in July 2016 to require agencies to develop an enterprise risk management approach.<sup>26</sup> Officials said this office began with a few staff and grew over time, reaching a peak of about 15 employees in 2018. As discussed below, OERIM was dissolved in October 2018.
2. **Integration of the Office of Emergency Management Oversight into the Office of Audits (2017).** In 2017, the Office of Emergency Management Oversight and the Office of Audits were two of the three program offices responsible for conducting audit work.<sup>27</sup> DHS OIG integrated the Office of Emergency Management Oversight into the Office of Audits for several reasons. One documented reason was to restructure the Office of Audits to help ensure DHS OIG work addressed all DHS's missions, as well as the activities of the department's headquarters. Specifically, as part of combining the offices, DHS OIG leadership announced a structural change in which the resulting Office of Audits would align to six broad focus areas to minimize gaps in oversight.<sup>28</sup> According to a senior leader who implemented the integration, another primary reason to integrate the offices was to align the professional standards to which both offices

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<sup>26</sup>OMB updated *Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control*.

<sup>27</sup>The Office of Information Technology Audits also conducted audits. As discussed later in this report, DHS OIG subsequently integrated the Office of Information Technology Audits into the Office of Audits in 2018.

<sup>28</sup>These focus areas were: law enforcement, terrorism, immigration, disaster, financial management, and acquisitions and procurement. Ultimately, the office did not adopt the proposed organizational structure and the combined office did not align its structure with the six focus areas. The Deputy Assistant Inspectors General who were in the Office of Audits at the time kept their existing focus areas, and DHS OIG created a Deputy Assistant Inspector General position within the combined Office of Audits for the emergency management portfolio.

completed their work.<sup>29</sup> When DHS OIG integrated the two offices, the Office of Emergency Management Oversight had about 100 employees and the Office of Audits had about 150. The combined Office of Audits was briefly led by an acting Assistant Inspector General, dual-hatted as DHS OIG's Deputy Inspector General.<sup>30</sup> In November 2017, in coordination with other leadership transitions across the organization, the Assistant Inspector General for IQO became the acting and then permanent Assistant Inspector General for Audits.<sup>31</sup>

3. **Creation of the Special Reviews Group and the Whistleblower Protection Unit in the Office of Counsel (2017).** In 2017, DHS OIG created two new units within the Office of Counsel: the Special Reviews Group and the Whistleblower Protection Unit. The Inspector General announced the creation of the Special Reviews Group in an organization-wide communication and noted that there are similar offices, which conduct work on compressed time frames, at other agencies' OIGs. Regarding the Whistleblower Protection Unit, an official told us that senior leadership created the unit to demonstrate to Congress that DHS OIG was rigorously accepting and working on whistleblower protection cases. The Office of Counsel generalist attorneys previously carried out these types of work. These two groups were generally small, with fewer than 10 employees each, and their exact size has varied over time. The Whistleblower Protection Unit, for example, sometimes has had three employees.
4. **Integration of the Office of Information Technology Audits into the Office of Audits (2018).** In 2018, DHS OIG integrated the Office

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<sup>29</sup>Between July 2017 and March 2018, DHS OIG retracted 13 reports published by the Office of Emergency Management Oversight because the reports may not have adhered to government auditing standards. An internal review of this situation, as published in a May 2019 report, found that deficiencies in the Office of Emergency Management and Oversight's internal controls system and quality assurance processes—including in the areas of audit planning, supervision, and independent referencing—resulted in a failure to identify and correct issues with the office's adherence to standards, thus necessitating retraction of the 13 reports. See DHS OIG, *Special Report: Review Regarding DHS OIG's Retraction of Thirteen Reports Evaluating FEMA's Initial Response to Disasters*, OIG-19-41 (Washington, D.C.: May 23, 2019).

<sup>30</sup>This individual was dual-hatted as the Deputy Inspector General and the acting Assistant Inspector General for Audits beginning in September 2016. He was previously the Assistant Inspector General for Emergency Management Oversight, from 2013 to 2016. After the integration of these offices, the former Assistant Inspector General for Emergency Management Oversight became the Assistant Inspector General for IQO.

<sup>31</sup>This individual led the Office of Audits for approximately six months and then left DHS OIG.

of Information Technology Audits into the Office of Audits. This change was driven, in part, by a leadership vacancy in the Office of Audits. Specifically, the Acting Inspector General asked the Assistant Inspector General for Information Technology Audits to fill the vacant Assistant Inspector General role in the Office of Audits. She agreed and told us, as confirmed by multiple officials, that she approached the Acting Inspector General with a plan to merge the two offices because she had experience in and was familiar to staff in both offices. With this change, DHS OIG consolidated all audit responsibilities into the Office of Audits. At the time of this consolidation, the Office of Information Technology Audits had about 50 employees, and the Office of Audits had about 280 employees.

5. **Dissolution of OERIM (2018).** This change occurred in two parts, in May 2018 and October 2018. First, in May 2018, DHS OIG reduced the headcount of OERIM by about half, to 10 employees. DHS OIG reassigned the other employees to their previous positions in other program offices, most to the Office of Audits.<sup>32</sup> Second, the 10 employees who remained were shortly thereafter, in October 2018, moved to IQO.<sup>33</sup> According to officials, OERIM staff were distributed to various functions upon moving to IQO. For example, some of the 10 employees continued to conduct risk-related work in a new risk assessment division which, a few months after the move, was renamed the Policy, Strategy, and Risk division. The other employees were reassigned to other mission support functions that IQO performs, such as quality assurance. This change eliminated the OIG office dedicated to risk management and reduced the number of OIG staff working on enterprise risk issues.
6. **Merger to create the Office of Special Reviews and Evaluations (2018).** In 2018, DHS OIG created the Office of Special Reviews and Evaluations. This office merged the Office of Inspections and Evaluations, which was previously an independent program office responsible for inspections and evaluations, with the Special Reviews Group and the Whistleblower Protection Unit from the Office of Counsel. In an email to all staff that announced the creation of the new program office, a DHS OIG senior leader said that the Office of Special Reviews and Evaluations was designed to consolidate groups that work on sensitive issues in short time frames. When DHS OIG

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<sup>32</sup>The director and deputy director of OERIM were among those reassigned to their previously held positions in the Office of Audits as part of the downsizing of OERIM.

<sup>33</sup>The head of OERIM, who was also the former Inspector General's Chief of Staff, moved to IQO with the other staff who were moved to that office.

merged these units, leadership within each unit did not change—employees in the Special Reviews Group, for example, still reported to the director of the Special Reviews Group. The new office initially operated under joint leadership, and both leaders were dual-hatted in other senior leadership roles. Specifically, one leader was the Acting Assistant Inspector General for Inspections and Evaluations who was, at the time, dual-hatted as the Chief Operating Officer and subsequently became Deputy Inspector General during the time she was leading this office. The other leader was the Assistant Inspector General for Legal Affairs, who also continued to lead the OIG’s Office of Counsel.<sup>34</sup> Six months after the creation of this office, DHS OIG selected the Assistant Inspector General for Legal Affairs to be the Assistant Inspector General for Special Reviews and Evaluations.<sup>35</sup> When this office was first established, it had about 30 employees.

7. **Movement of the human resources division from the Office of Management to the Office of Counsel (2018).** In 2018, DHS OIG moved the human resources division from the Office of Management to the Office of Counsel.<sup>36</sup> Officials we spoke with described different reasons for this move, including: (1) to temporarily resolve a dispute between human resources division employees and leadership in the Office of Management and (2) to align human resources division employees more closely with the Personnel Law Division in the Office of Counsel as part of a 30 day-pilot initiative. However, the employees in the human resources division stayed in the Office of Counsel for more than a year. According to officials, DHS OIG did not document the movement of most human resources employees to the Office of Counsel as part of this move. Officials told us that there is paperwork documenting the movement of three of the 17 human resources division employees. DHS OIG did not document the movement of the remaining employees and, according to a senior leader in the Office of Management, these employees were “unofficially” moved to the Office of Counsel.

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<sup>34</sup>At this time, the Counsel and Deputy Counsel positions were vacant and the Assistant Inspector General for Legal Affairs acted as the head of the Office of Counsel.

<sup>35</sup>A Deputy Counsel was hired at about the same time, and that individual assumed leadership duties for the Office of Counsel.

<sup>36</sup>The division responsible for human resources functions comprises human resource operations as well as workforce relations. The name of the division containing these functions has changed over time. In this report, we refer to this division as the human resources division.

8. **Movement of the Whistleblower Protection Unit from the Office of Special Reviews and Evaluations back to the Office of Counsel (2020).** In 2020, DHS OIG moved the Whistleblower Protection Unit from the Office of Special Reviews and Evaluations back to the Office of Counsel, where the unit originated. The unit as a whole moved and its employees reported to the same director before and after the move, although the director reported to a new leader. At the time of this move, there were three employees in the Whistleblower Protection Unit, including the director.<sup>37</sup>
9. **Movement of the human resources division from the Office of Counsel back to the Office of Management (2020).** In 2020, DHS OIG moved the human resources division from the Office of Counsel back to the Office of Management. This move placed human resources division staff, most of whom had previously been “unofficially” moved to the Office of Counsel, back into the office to which they were permanently assigned. The human resources division had about 10 employees at the time of the move.

DHS OIG, including offices affected by these organizational changes, also underwent numerous leadership changes from fiscal year 2015 through fiscal year 2020. Specifically:

- DHS OIG had four acting or confirmed Inspectors General.
- The Office of Audits had five acting or permanent Assistant Inspectors General.
- IQO had eight acting or permanent Assistant Inspectors General. This office had four different leaders in fiscal years 2019 and 2020.

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<sup>37</sup>Later, in November 2020, the attorneys who were in the Special Reviews Group were reassigned to the Whistleblower Protection Unit in the Office of Counsel. As of November 2020, the Special Reviews Group is no longer a division within the Office of Special Reviews and Evaluations—non-attorney staff who were previously in the group remain in the Office of Special Reviews and Evaluations and, according to an official we spoke with, the office will continue to conduct work similar to the work that was conducted by the Special Reviews Group. The dissolution of the Special Reviews Group occurred outside the time frame of our review.

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- The Office of Counsel has had five different top leaders.<sup>38</sup>
  - Since its creation in October 2018, the Office of Special Reviews and Evaluations has had four acting or permanent Assistant Inspectors General.

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## DHS OIG Did Not Consistently Follow Selected Key Practices for Organizational Transformation

DHS OIG fully or partially followed all selected key practices for organizational transformation in three of the nine organizational changes implemented during fiscal years 2015 through 2020, but did not do so for the other six organizational changes implemented during this period, as shown in table 3.<sup>39</sup>

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<sup>38</sup>Four leaders were in the position of Counsel, and one was in the position of Assistant Inspector General for Legal Affairs. The position of Assistant Inspector General for Legal Affairs was created during simultaneous vacancies in the Counsel and Deputy Counsel positions. Because top leadership expressed the importance that the agency's principal legal advisor have senior executive service, DHS OIG created an SES position responsible for overseeing the Office of Counsel. After the person serving as Assistant Inspector General for Legal Affairs changed positions to be the Assistant Inspector General for Special Reviews and Evaluations, DHS OIG subsequently filled the position of Deputy Counsel. The position of Assistant Inspector General for Legal Affairs was eliminated as of April 2019.

<sup>39</sup>We determined seven of the nine key practices were relevant for the purposes of our review. We determined that DHS OIG followed a selected key practice if DHS OIG followed all of the implementation steps associated with the selected key practice. We determined that DHS OIG partially followed a selected key practice if it followed some but not all of the implementation steps associated with the selected key practice. We determined that DHS OIG did not follow the selected key practice if it did not follow any of the implementation steps associated with the selected key practice. See appendix I for more information on our methodology.

**Table 3: Extent to which Department of Homeland Security (DHS) Office of Inspector General (OIG) Followed Selected Key Practices for Organizational Transformation when making Organizational Changes during Fiscal Years 2015–2020**

**DHS OIG Organizational Change**

Selected key practices	Creation of OERIM (2016)	Integration of EMO into Audits (2017)	Creation of SRG and WPU (2017)	Integration of IT into Audits (2018)	Dissolution of OERIM (2018)	Creation of SRE (2018)	Movement of HR to OC (2018)	Movement of WPU back to OC (2020)	Movement of HR back to OM (2020)
Top leadership commitment	Followed	Partially Followed	Followed	Partially Followed	Not Followed	Partially Followed	Not Followed	Not Followed	Followed
Mission and strategic goals	Followed	Partially Followed	Partially Followed	Followed	Not Followed	Followed	Not Followed	Not Followed	Not Followed
Principles and priorities	Followed	Partially Followed	Followed	Not Followed	Not Followed	Partially Followed	Not Followed	Not Followed	Not Followed
Implementation goals and timeline	Partially Followed	Partially Followed	Partially Followed	Partially Followed	Not Followed	Not Followed	Not Followed	Not Followed	Partially Followed
Implementation team	Followed	Partially Followed	Followed	Not Followed	Not Followed	Not Followed	Not Followed	Not Followed	Followed
Communication strategy	Followed	Partially Followed	Partially Followed	Not Followed	Not Followed	Partially Followed	Not Followed	Not Followed	Partially Followed
Employee involvement	Partially Followed	Partially Followed	Partially Followed	Partially Followed	Not Followed	Partially Followed	Not Followed	Not Followed	Not Followed

Legend: ● = Followed, ◐ = Partially followed, ○ = Not followed, OERIM = Office of Enterprise Risk Identification and Management, EMO = Office of Emergency Management Oversight, Audits = Office of Audits, SRG = Special Reviews Group, WPU = Whistleblower Protection Unit, IT = Office of Information Technology Audits, SRE = Office of Special Reviews and Evaluations, HR = human resources division, OC = Office of Counsel, OM = Office of Management

Source: GAO analysis of DHS OIG documents and interviews. | GAO-21-316

Note: GAO identified key practices for mergers and organizational transformations in *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, GAO-03-669 (Washington, D.C.: July 2, 2003). Selected key practice language in this table is abbreviated. The full language for the selected key practices is: ensure top leadership drives the transformation, establish a coherent mission and integrated strategic goals to guide the transformation, focus on a key set of principles and priorities at the outset of the transformation, set implementation goals and a timeline to build momentum and show progress from day one, dedicate an implementation team to manage the transformation process, establish a communication strategy to create shared expectations and report related progress, and involve employees to obtain their ideas and gain their ownership for the transformation.

As we have previously reported, organizational change and transformation is a difficult endeavor that can be incredibly complex. Our past work has shown that successful organizational change depends on following change management practices—such as the selected key

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practices identified in table 3.<sup>40</sup> This held true for the organizational changes at DHS OIG from fiscal years 2015 through 2020.

For example, when DHS OIG created OERIM in 2016, it partially or fully followed most of the selected key practices when implementing the change. The newly created office successfully initiated its new work processes. Officials in OERIM wrote a charter that outlined the office's mission and objectives. Officials in the office also developed an annual plan for its first year which included clearly defined roles and responsibilities for employees. In the first year, the office completed more work than planned. For example, the office planned to create charts showing the internal structure, personnel allocation, function, and budget allocation for 15 DHS components and ultimately completed 21 such charts. In addition, the office planned to do six risk assessments and completed eight, including five risk assessments for DHS components and three risk assessments for cross-cutting mission areas.

In contrast, as we previously reported, not adequately addressing—or often even considering—a wide variety of people and cultural issues is at the heart of unsuccessful transformations.<sup>41</sup> In our review of DHS OIG's organizational changes, we found that, in instances when DHS OIG followed few of the selected key practices during an organizational change, there were negative effects on staff. We found that some staff have expressed concerns with how DHS OIG manages change. In addition, some senior leaders described the amount and frequency of organization change—and resulting lack of organizational stability—as negatively affecting morale. As we have previously reported, such effects on staff can affect an organization as a whole because people define an organization's culture, drive its performance, and embody its knowledge base.<sup>42</sup>

For example, in 2018, DHS OIG moved the human resources division to the Office of Counsel in a way that did not follow any of the selected key practices, according to our analysis. DHS OIG officials told us that there was no documentation of this change, so we relied on testimony from staff involved in and affected by the change to understand how it was implemented. According to an official, leadership told affected employees

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<sup>40</sup>[GAO-03-669](#).

<sup>41</sup>[GAO-03-669](#).

<sup>42</sup>[GAO-03-669](#).

that the movement was part of a pilot program for aligning human resources division employees more closely with the Personnel Law Division within the Office of Counsel. However, other officials told us that the move was because of a dispute between human resources division staff and leadership within the Office of Management and because of perceived issues with staff in the human resources division's ability to effectively complete their work. As a result, human resources staff affected by this change did not know whether the move would be permanent. DHS OIG officials told us that for the majority of human resources staff who were moved without any official documentation of their move, the "unofficial" reassignment resulted in a lack of continuity in their performance management files. Specifically, human resource division leaders told us that, after human resources division staff were realigned to the Office of Counsel, employees in the division did not appear officially on any organizational charts and experienced gaps in their performance management and other personnel paperwork.

In addition, when DHS OIG downsized OERIM and subsequently reassigned remaining staff from this office to IQO in 2018, our analysis indicates that leadership did not follow any of the selected key practices for organizational transformation for this change. For example, top leadership did not effectively communicate the change and also did not drive the transformation by articulating a compelling reason for change. Officials said that the Acting Inspector General did not provide advance notice of the decision to downsize the office to its leaders. Officials we spoke to said that office leaders did not know about the change until the day the Acting Inspector General met with affected staff to announce it, and they said that employees were stunned by the abrupt announcement, which was effective immediately. In the official communication to all staff about this change, the Acting Inspector General said that DHS OIG moved staff from OERIM because DHS OIG did not have the budgetary resources to grow its workforce and needed additional staff in other program offices. However, officials we spoke with told us that this information was not communicated clearly during the meeting in which the Acting Inspector General told OERIM staff their office was being downsized and many were being reassigned. Officials told us they felt the lack of clear communication about this change from leadership created confusion and negatively affected employees, some of whom did not understand what was happening and thought that they were losing their jobs.

Further, DHS OIG employees—in our interviews and in exit interviews with staff who left the organization—and internal DHS OIG assessments

have also identified managing organizational transformation as a weakness of DHS OIG. For example, a Deputy Assistant Inspector General told us that DHS OIG is relatively immature as an organization and that managing change is not one of its strengths.<sup>43</sup> An internal review—which analyzed DHS OIG’s strengths, weaknesses, opportunities, and threats—identified lack of organizational stability as a weakness and noted the negative effect on staff of frequent organizational change and leadership turnover.<sup>44</sup> This internal review also cited declining OPM FEVS scores regarding employees’ satisfaction with information received from management about what is going on in the organization.<sup>45</sup>

Leadership plays an important role at the outset of an organizational change and throughout its implementation. The internal review further stated that staff wanted to hear from leadership regarding vision, goals, and priorities for the organization.<sup>46</sup> Also, as we have previously reported, top leadership that is clearly and personally involved provides stability and an identifiable source for employees to rally around during tumultuous times. The role of top leaders is also to ensure that transformation efforts stay on course by setting priorities, focusing on critical issues, and demonstrating a commitment to change.<sup>47</sup> Subsequent sections of this report will discuss the importance of leadership in DHS OIG operations.

When DHS OIG implemented organizational changes without following key practices for organizational transformation, the changes negatively affected employees and operations. As the key practices for organizational transformation highlight, actions such as developing a communication strategy and providing information about strategic goals and priorities are among the key practices that increase an organizational change’s likelihood of success. Commitment to following key

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<sup>43</sup>DHS OIG has been conducting oversight of DHS since 2003, according to its September 30, 2020 semiannual report to Congress.

<sup>44</sup>DHS OIG, IQO, Policy, Strategy, and Risk Division, *Fiscal Year 2019 Enterprise Profile* (February 2020).

<sup>45</sup>DHS OIG’s *Fiscal Year 2019 Enterprise Profile* analyzed OPM FEVS data from 2016 through 2019.

<sup>46</sup>DHS OIG, *Fiscal Year 2019 Enterprise Profile*.

<sup>47</sup>GAO, *Human Capital: DHS Personnel System Design Effort Provides for Collaboration and Employee Participation*, [GAO-03-1099](#) (Washington, D.C.: Sep. 30, 2003).

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transformation practices may help DHS OIG implement any organizational changes more effectively in the future.

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## DHS OIG Has Not Implemented Management Policies and Procedures Consistent with Professional Standards

From fiscal year 2015 through fiscal year 2020, DHS OIG did not develop and implement policies and procedures consistent with CIGIE quality standards for OIGs or other leading practices in a number of areas. These areas are: (1) planning and organizational performance management, (2) human capital management, and (3) internal controls. Based on our analysis of DHS OIG documents and according to interviews with DHS OIG senior leaders, these gaps are long-standing and have been identified in previous internal and external assessments. DHS OIG has taken steps over this time period to address some of the issues we and others have identified, but those efforts are incomplete or have recently been initiated.

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### DHS OIG's Planning and Organizational Performance Management Practices Are Not Consistent with Professional Standards

#### Risk-Based Planning System

DHS OIG does not have a work planning system that, consistent with CIGIE standards for OIGs, assesses DHS's programmatic and operational risks and is to be developed as a key input to support overall organizational performance management.

CIGIE quality standards for OIGs state that each OIG shall maintain a work planning system that informs the development of an OIG's long-term strategic and near-term performance plans to make the most efficient and effective use of the OIG's resources. According to CIGIE quality standards for OIGs, the planning system should start with an assessment of the nature, scope, and inherent risks of programs, operations, and management challenges of the agency for which the OIG provides oversight. CIGIE quality standards for OIGs also recommend that each OIG (1) use a methodology for prioritizing potential audit, inspection, and

evaluation topics, and (2) develop an annual work plan that identifies which activities it intends to audit, inspect, or evaluate. (See fig. 4.)

**Figure 4: Council of the Inspectors General on Integrity and Efficiency's (CIGIE) Recommended Process for Planning Work for Federal Offices of Inspector General**



Source: GAO analysis of CIGIE quality standards. | GAO-21-316

**Text of Figure 4: Council of the Inspectors General on Integrity and Efficiency's (CIGIE) Recommended Process for Planning Work for Federal Offices of Inspector General**

**Access**

Identify and assess:

- Nature of agency programs and operations
- Performance measures and outcomes
- Scope and dollar magnitude
- Staffing and budget trends
- Perceived vulnerabilities
- Inherent risks

**Prioritize**

- Develop a methodology and process for prioritizing agency programs and operations as potential subjects for audit, inspection, evaluation, and investigation

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**Plan**

- Use an annual planning process that identifies the activities to audit, inspect, evaluate, and investigate
- Consider prior work and agency efforts to address recommendations
- Determine how to choose among competing needs

Source: GAO analysis of CIGIE quality standards. | GAO-21-316

In 2016, DHS OIG began an effort to implement a process for assessing DHS's programs, operations, management challenges, budget trends, and inherent risks as part of a work planning system. The Inspector General tasked OERIM, which he had recently created and organized under the Executive Office, with developing risk-based assessments of DHS and its components that were to contribute to DHS OIG's annual work planning.<sup>48</sup> Based on our review of documents from that office, including its draft policies, work templates, and project plans, as well as interviews with officials who led and supported the office's efforts, we found the designed process was largely consistent with the elements of the planning process described in CIGIE quality standards for OIGs.

Specifically, staff in OERIM developed a methodology and initiated a process to inform work planning by building DHS OIG's understanding of DHS's operations and risks. Those staff considered DHS operations at four levels: (1) the agency (i.e., DHS); (2) the component (e.g., Transportation Security Administration); (3) the component program office (e.g., Transportation Security Administration's Law Enforcement/Federal Air Marshal Service); and (4) the oversight area (e.g., transportation security).

Staff built risk profiles of DHS components and—in consultation with independent experts on risk management and homeland security—developed a methodology to score the likelihood and effect of risks to identify high-risk agency programs. According to the office's project plans, staff intended for DHS OIG management to use those scores to prioritize and recommend potential subjects for audit, inspection, evaluation, and investigative work.

However, as priorities and leadership changed, DHS OIG largely discontinued these efforts. For example, in a September 2017 email, the

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<sup>48</sup>We discuss the organizational changes associated with OERIM earlier in this report.

Inspector General questioned OERIM's processes. He suggested that an approach that was "less about rigor and more about creativity" would yield the type of information he was most interested in—that is, the "unknown unknowns"<sup>49</sup>—rather than the high-level risk summary the office produced. According to one official who was assigned to OERIM at the time, staff tried to adjust their approach to be more consistent with the Inspector General's vision, but their efforts to develop the risk assessments largely halted.

In November 2017, that Inspector General retired. In May 2018, approximately 20 months after the office was created, the Acting Inspector General downsized OERIM and reassigned most staff to DHS OIG's other offices. According to the email the Acting Inspector General sent to inform DHS OIG staff about downsizing the office, he believed staff resources would be more effectively deployed supporting audit and investigative work. Ultimately, the Acting Inspector General dissolved the office altogether and reassigned the remaining staff to functions in IQO.

According to DHS OIG officials, following the dissolution of OERIM, DHS OIG did not commit sufficient resources to support the type of risk-based work planning system that CIGIE quality standards for OIGs describe. Prior to its downsizing, OERIM had 17 full-time staff, including eight assigned specifically to assessing DHS program and operational risks. In 2020, IQO allocated five positions to the division that is responsible for all risk-related activities as well as strategic planning and the maintenance of the organization's operational policies. As of November 2020, two of the five positions allocated were vacant.

According to a November 2019 memo to the Inspector General in response to a request about how DHS OIG should alter its strategic focus, the Assistant Inspector General for IQO wrote that, to support the best practice of risk-based work planning, IQO required additional resources. That position was echoed by officials we interviewed who worked on the 2017 and 2018 effort to develop risk profiles, as well as those responsible for risk-related efforts in 2020. According to those officials, at the resource levels assigned after DHS OIG dissolved

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<sup>49</sup>"Unknown unknowns" refers to risks that can only be recognized after they have occurred, according to the Project Management Body of Knowledge. In the most recent Project Management Body of Knowledge, this category of risks is also referred to as "unknowable unknowns" or "emergent risks." See Project Management Institute, Inc. A Guide to the Project Management Body of Knowledge (PMBOK® Guide), Sixth Edition (2017). PMBOK is a trademark of Project Management Institute, Inc.

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OERIM, staff could not maintain or update the DHS risk assessments and profiles with more current information such that they could be useful for identifying and prioritizing DHS OIG's work, as originally intended and described in CIGIE quality standards for OIGs.

Without developing and implementing a planning system that assesses the nature, scope, and inherent risks of agency (DHS) programs—as described in CIGIE quality standards for OIGs—DHS OIG leadership and staff do not have a holistic view of DHS that they could use to methodically prioritize potential subjects for audits, inspections, and evaluations. Although DHS OIG staff have identified the need to develop a holistic view of DHS, DHS OIG has not developed that view. As a result, DHS OIG is limited in its ability to identify DHS's highest risk areas or the highest impact areas of work from an oversight perspective. Moreover, as described in CIGIE quality standards for OIGs, this risk-based planning system is to inform an OIG's plan for the work it will do each year and its overall organizational performance management activities, including its strategic and performance plans.

### Annual Work Plans

DHS OIG has not developed an annual work plan since 2016. In place of an annual risk-based work plan, as CIGIE quality standards recommend, DHS OIG has adopted a biweekly work planning process. However, that process does not provide reasonable assurance that DHS OIG is targeting its work to DHS's highest risk areas or to high impact topics from an oversight perspective.

CIGIE quality standards for OIGs recommend that OIGs use the prioritized list of agency programs and operations developed as part of its risk-based planning system, as previously discussed in this report, to develop an annual work plan. That annual work plan should identify the activities the OIG plans to audit, inspect, or evaluate. OIGs are also to use that annual work plan to develop the OIG's performance goals and measures as part of its organizational performance management, which we discuss in the next section of this report.

According to some DHS OIG officials, until approximately 2016, each DHS OIG office would annually prepare a list of potential projects and the leaders of those offices would gather for a meeting where they deconflicted, debated, and ranked the projects to develop a list of planned work for the coming fiscal year. However, according to these officials, DHS's priorities often changed as a result of external events—for

example, a natural disaster or terrorist attack—and DHS OIG’s oversight work needed to adjust quickly as well. They said that, as a result, DHS OIG’s work often departed from the annual work plan and officials came to consider the time and effort they had put into developing that plan wasted.

Since 2017, DHS OIG staff have put forward proposals to standardize the process for planning its audit, inspection, and evaluation work and incorporate risk-based methodologies in that process. However, DHS OIG has not fully adopted those proposals and the current process is not consistent with CIGIE quality standards for OIGs. For example, in 2017, staff in OERIM proposed a planning process and drafted associated policy and procedure documents largely consistent with CIGIE standards for annual work planning. According to those documents, that office was to facilitate a planning meeting to build consensus around a plan for the work DHS OIG would do in the coming year. The proposed process included providing DHS OIG leadership with risk ratings for each of DHS’s component program offices, information about DHS’s strategic plan, legislative information about mandated work, and analyses of DHS OIG’s recent work, among other documents, to facilitate DHS OIG leadership’s determination of the content of the annual work plan. However, DHS OIG did not adopt the process in 2017 and, as detailed above, the Acting Inspector General downsized and ultimately disbanded the office in 2018 before further action was taken on the proposed work planning process.

In 2019, DHS OIG adopted a work planning process, which remains in place as of April 2021, that some senior leaders told us replaces the need for annual work planning. Specifically, DHS OIG created an Engagement Planning Group comprised of the Inspector General, Deputy Inspector General, and all of the Assistant and Deputy Assistant Inspectors General.<sup>50</sup> This Engagement Planning Group meets biweekly to review proposals for audit, inspection, and evaluation work and decide which proposals to pursue. Some DHS OIG senior leaders told us the Engagement Planning Group meetings replace the need for annual work planning of audit, inspection, and evaluation activities by providing a regular and recurring opportunity to make coordinated decisions about what work to pursue.

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<sup>50</sup>“Engagement,” in this context, refers to a work project, such as an audit or inspection.

Although this biweekly work planning process incorporates some considerations of DHS programmatic risks, those considerations are limited to the topic of proposed work. DHS OIG cannot have reasonable assurance that the proposed work is aligned to DHS's highest risk areas or to DHS OIG's oversight priorities because DHS OIG has not identified those risk areas and established its corresponding oversight priorities. For example, the proposal form that the Engagement Planning Group reviews for proposed new work captures some information about the associated DHS program's risks, including the program's connection to DHS's strategic objectives, the program's financial impact, and the effect of the program on DHS's strategic or operational success. However, this approach does not include mechanisms to assess the entirety of DHS's inherent risks and prioritize them—the first steps in the risk-based planning process that CIGIE quality standards for OIGs describe—so that DHS OIG could align its proposed work to those highest-risk and highest-priority areas.

The proposals for new work that program offices develop for consideration—and the Engagement Planning Group's decisions on those proposals—are not guided by shared agreement within or across program offices about DHS OIG's oversight priorities because DHS OIG has not defined those priorities. The Engagement Planning Group considers proposals drafted by program office staff and put forward by each office's senior leaders. One Deputy Assistant Inspector General explained that as staff are completing a project, they will start to develop a proposal for their next project. Staff have access to a range of resources to research potential work topics. However, according to most of the Deputy Assistant Inspectors General, the subject of the proposed work is frequently related to (1) the staffs' experience within a subject matter or (2) current events. It follows that the proposals put forward for consideration by the Engagement Planning Group are a reflection of DHS OIG's organizational structure and staff availability. The proposals are not developed in the context of a holistic assessment and prioritization of DHS's inherent risks because DHS OIG has not committed the resources to maintain that type of risk assessment, as described above.

DHS OIG staff have proposed and piloted other mechanisms to build information about DHS program and operational risks into its process for deciding what work to pursue. However, DHS OIG has not adopted or fully implemented those mechanisms, as described below.

- For example, according to DHS OIG's documentation on its work planning process, a group of internal experts is supposed to develop

and make available to all staff a list of priority issues and emerging risks that staff would then use to develop work proposal topics. The first list of priority issues and emerging risks was made available to staff in September 2020. Though this is a positive step, there is no process or expectation that staff develop proposals for new work to address those priority issues. According to officials responsible for that initiative, the list is more of a resource that staff can reference for ideas.

- The planning process was also intended to include a system by which those internal experts would rate and rank proposals for new work so the Engagement Planning Group could consider the relative priority of proposals using standardized criteria. However, according to officials who facilitated the development of the Engagement Planning Group processes, leadership and the program offices did not support the rating and ranking system as originally developed, and so DHS OIG paused the process in August 2020. According to staff, since then, they have revised and are piloting a modified process where staff and leadership from the program office proposing a project score the proposal along various risk measures. As of February 2021, officials said the pilot phase was approaching its end and the Executive Office would decide how and whether to implement it organization-wide.
- In addition, staff have worked to develop more information for the Engagement Planning Group about DHS OIG's existing portfolio of work and new work proposals. According to DHS OIG staff, they designed a dashboard to show how ongoing and proposed work aligns to DHS's strategic plan and DHS's component organizations, among other information. They plan to use various data sources to provide Engagement Planning Group members with increased context for their decision-making. However, according to officials, as of February 2021, they were refining the dashboard and had not yet shared it broadly for regular use. Such information, when available, would be a positive step toward building a more risk-based process for selecting work.<sup>51</sup>
- In another example, at least one Deputy Assistant Inspector General for Audits has worked with the IQO staff who support risk-related activities to develop and implement a risk-based methodology for

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<sup>51</sup>DHS OIG has initiated plans to modernize its information technology systems and infrastructure. As of January 2021, DHS OIG has hired a contractor to conduct an analysis of its data systems and needs and to identify gaps and alternatives related to its data systems. The full modernization effort is expected to take several years, according to officials, and is expected to include automation of certain manual processes. OIG officials said this will support efforts to provide accurate and useful data to the workforce.

assessing project proposals put forward by staff in their division. According to that Deputy Assistant Inspector General, the approach was developed to identify the areas that have the most potential impact and to provide objective criteria for prioritizing proposals that can be clearly explained to staff. Though this is a positive step, it has been implemented for one of four portfolios of audit work.

In addition, according to officials, DHS OIG leadership has not clearly identified and communicated the criteria it uses to decide whether to approve or decline to pursue work proposed to the Engagement Planning Group. Specifically, if the proposed work is not mandated by law, approval or declination is at the Inspector General's discretion. However, the rationale for approving and declining work is not always provided, which has caused confusion for staff. According to a June 2019 presentation summarizing internal feedback about work planning, participants said there were some staff who did not understand why their proposals were not being approved, resulting in frustration and morale issues. In a September 2019 presentation about the Engagement Planning Group and its processes, which remain the current planning process, DHS OIG noted that, as an organization, it had not defined or applied standard assessment criteria when determining what proposed work to pursue. In the summer of 2020, DHS OIG officials, including some in leadership roles, similarly told us that they are often unsure why the Inspector General chooses to pursue certain work and declines to pursue other work and that this confusion led to frustration among staff.

While some officials have promoted risk-based work planning over most of the time period we assessed, other DHS OIG officials have questioned the value of risk-based work planning and leadership has not consistently championed adoption of risk-based planning mechanisms. According to officials who were responsible for risk-related activities under OERIM, DHS OIG's culture needed to change for the organization to incorporate best practices in risk assessment into its work planning process. In our prior work on organizational change and transformations, we found that top management needs to drive change and be committed to it in both words and actions.<sup>52</sup>

However, leadership has not consistently championed risk-based work planning. As described above, after initially downsizing the office

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<sup>52</sup>GAO-03-669 and GAO, *Organizational Culture: Techniques Companies Use to Perpetuate or Change Beliefs and Values*, GAO/NSIAD-92-105 (Washington, D.C.: Feb. 27, 1992).

responsible for assessing DHS's inherent programmatic and operational risks, the Acting Inspector General disbanded the office. According to officials, this organizational change signaled that risk-related activities were not an organizational priority. Without a strong endorsement from leadership, IQO staff have worked to build support for their efforts with colleagues in the other offices, but according to officials, it has been difficult to establish trust and build those relationships because of frequent leadership changes and uncertainty about each leader's priorities.

Though DHS OIG has taken steps to implement a process for selecting work topics in place of an annual work planning approach, that process does not provide reasonable assurance that DHS OIG is targeting its work to DHS's highest risk areas or to high impact topics from an oversight perspective. As discussed later in this report, DHS OIG's process for work planning, in combination with its organizational structure, leaves the possibility for some oversight gaps. An annual work plan, developed as part of a risk-based planning system, would better position DHS OIG to systematically consider and make decisions about competing oversight needs in the context of DHS's risks and the OIG's portfolio of current and planned work. Further, without such a planning system and transparency about how and why work proposals are approved, decisions can seem arbitrary to staff. A lack of transparency in those decisions may also have a negative effect on morale and call into question the independence of the organization.

### Organizational Performance Management

DHS OIG has not implemented leading practices that CIGIE, and we, have identified for managing for results in government, particularly related to strategic planning and organizational performance management. For example, DHS OIG operated without a strategic plan for 4 of the last 6 fiscal years, including fiscal year 2020. As of April 2021, DHS OIG had actions underway to develop a strategic plan for fiscal years 2021–2025. That strategic plan is expected to be delivered in June 2021.

According to CIGIE quality standards for OIGs, each OIG is to establish strategic and performance plans, including goals, objectives, and performance measures to be accomplished by the OIG within a specific time period, built on the assessment of the agency's inherent risks. CIGIE quality standards for OIGs cite the requirements from the organizational performance management framework originally put into place by the Government Performance and Results Act of 1993 (GPRA), and

amended and expanded by the GPRA Modernization Act of 2010 (GPRAMA).<sup>53</sup> That framework describes strategic plan content and publication timelines as well as performance plan content, submission, and reporting requirements in relation to its strategic and performance planning standards.

We have also previously stated that GPRAMA requirements can serve as leading practices for organizations such as federal OIGs.<sup>54</sup> Our past work on implementing results-oriented management identified several key steps that align with GPRA requirements. Those steps were to: (1) define clear missions and desired outcomes—which corresponds to the GPRA requirement to develop a strategic plan that contains a mission statement, strategic goals, strategies for achieving those goals, and the risks to achieving those goals; (2) measure performance to gauge progress—which corresponds to the GPRA requirement to develop an annual performance plan that defines annual performance goals, how performance goals contribute to the organization’s strategic goals, and how performance will be measured; and (3) use performance information as the basis for decision-making—which corresponds to the GPRA requirement to determine the extent to which the organization is meeting its annual performance goals and the actions needed to achieve the goals that have not been met.<sup>55</sup>

DHS OIG did not have a strategic plan in fiscal years 2015, 2016, 2017, and 2020. In addition, for the years when DHS OIG did not have a strategic plan, the organization also did not establish organization-wide

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<sup>53</sup>Pub. L. No. 103-62, 107 Stat. 285, as amended by the GPRA Modernization Act of 2010, Pub. L. No. 111-352, 124 Stat. 3866 (2011).

<sup>54</sup>GPRAMA requirements to develop a strategic plan and associated annual performance plans and other reports apply at the departmental level (e.g., DHS), and do not explicitly apply to DHS OIG. However, we have previously stated that GPRAMA requirements can serve as leading practices at lower organizational levels within federal agencies, such as individual divisions, programs, or initiatives—in this case, DHS OIG. For example, see *Chemical Assessments: Annual EPA Survey Inconsistent with Leading Practices in Program Management*, [GAO-21-156](#), (Washington, D.C.: Dec. 18, 2020); *Coast Guard: Actions Needed to Enhance Performance Information Transparency and Monitoring*, [GAO-18-13](#) (Washington, D.C.: Oct. 27, 2017); and *Motor Carriers: Better Information Needed to Assess Effectiveness and Efficiency of Safety Interventions*, [GAO-17-49](#), (Washington, D.C.: Oct. 27, 2016). In addition, it is common practice for OIGs to issue strategic and annual performance plans, according to CIGIE officials.

<sup>55</sup>GAO, *Executive Guide: Effectively Implementing the Government Performance and Results Act*, [GAO/GGD-96-118](#) (Washington, D.C.: June 1996).

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performance goals and metrics that, consistent with leading practices, are derived from that strategic plan.

Further, the strategic plan DHS OIG adopted for fiscal years 2018–2019 included some, but not all, of the elements considered standard in strategic plans for federal entities. Specifically, the plan articulated DHS OIG’s mission, strategic goals, and the associated objectives, but did not include the strategies to achieve those objectives or a description of the organizational risks that might affect achievement. According to officials we interviewed, the strategic plan for fiscal years 2018–2019 was intended to guide the organization in the short-term while staff built the capability to develop a 3 to 5-year strategic plan that is more consistent with leading practices.<sup>56</sup> According to those officials, they considered the short-term plan a valuable exercise for the organization because it had operated without a plan for several years, but they intended to develop a more robust document in the future.

In addition, the strategic plan for fiscal years 2018–2019 did not articulate performance goals consistent with leading practices, though the organization later developed performance output targets associated with some offices that were documented elsewhere. Specifically, the strategic plan for fiscal years 2018–2019 did not include specific, quantifiable, and measurable targets that were aligned to the overall strategy and against which DHS OIG could measure progress and identify areas for improvement. The plan included a section for organization-level performance indicators, however, the items listed described expected improvements and not measurable outcomes linked to a performance goal and strategic objective, as indicators in this context are generally defined. For example, the plan’s indicators included: (1) products that identify more efficient and effective ways for DHS to carry out its mission and (2) employee feedback tool that improves operations and enhances employee satisfaction.

According to one DHS OIG official involved in developing that strategic plan, senior leaders at that time intentionally chose not to include quantitative measures in the strategic plan for fiscal years 2018–2019 in favor of descriptive outcomes. However, progress was difficult to measure against the descriptive outcomes. For 2019, DHS OIG developed quantitative output goals for the heads of some DHS OIG offices and

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<sup>56</sup>OMB Circular A-11 Preparation, Submission, Execution of the Budget directs agencies to establish strategic goals and objectives in their strategic plans for a period of not less than 4 years forward from the fiscal year in which it is published (Section 230.4).

aligned them to the strategic plan to supplement the descriptive outcomes. Those goals included a target number of reports published and a target number of employee engagement improvements implemented. Though developing quantitative output goals was a positive step, according to the DHS OIG official, most DHS OIG staff as well as some leaders were unaware of DHS OIG's organizational performance management work.

In the spring of 2019, DHS OIG took steps to prepare a successor strategic plan, but ultimately changed course following a leadership change. For example, staff conducted a series of interviews with individuals in each office to identify organizational strengths, weaknesses, opportunities, and threats—a common exercise in strategic planning used to identify and manage risks to achieving the organization's strategic goals. In early July 2019, the Acting Inspector General approved a directive formalizing DHS OIG's strategic planning and implementation processes.<sup>57</sup> In anticipation of the fiscal years 2018–2019 strategic plan's expiration, staff continued strategic planning activities, consistent with the directive. According to officials, prior to the 2019 directive, there was no policy or formal approach to strategic planning for the organization.

Using that work and input from leaders, including Assistant Inspectors General, DHS OIG staff drafted a short-term strategic plan for fiscal years 2020–2022 and recommended developing 4-year plans thereafter, starting in fiscal year 2023. With few exceptions, the strategic goals, strategic objectives, and performance indicators in the draft plan were the same as those in the fiscal years 2018–2019 strategic plan. Similar to the fiscal years 2018–2019 strategic plan, the draft plan included mission, strategic goals, and their associated objectives, but did not include the strategies to achieve those goals, a description of the organizational risks that might affect achievement, or the performance goals against which progress would be measured. However, the Inspector General did not adopt the fiscal years 2020–2022 strategic plan. In early 2020, the Inspector General decided to contract with the National Academy of Public Administration (NAPA) to develop DHS OIG's next strategic plan,

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<sup>57</sup>One DHS OIG senior official told us that the strategic planning directive might not be valid because of how DHS OIG interpreted the order of succession when a previous Acting Inspector General resigned in June 2019. However, as of March 2021, the directive was catalogued among DHS OIG's current policies on its intranet.

among other potential tasks.<sup>58</sup> According to one senior leader, the Inspector General was interested in the objective viewpoint and expertise that NAPA could provide.

As of April 2021, DHS OIG has actions underway to develop a long-term strategic plan, but will have operated for almost 2 years without a strategic plan when the new plan is delivered in June 2021. DHS OIG awarded the contract for NAPA's work in August 2020. At that point, DHS OIG had been operating without a strategic plan for approximately 1 year. Based on the contract's terms, the final strategic plan is to cover fiscal years 2021–2025 and is expected from the contractor at the end of June 2021. One senior official explained that, from July 2019 through the first half of 2020, the Inspector General prioritized addressing personnel issues among DHS OIG's senior leadership team and, as a result, it took until summer 2020 to get the contract in place for strategic planning support.<sup>59</sup> According to another senior leader, the Inspector General sees value in (1) the rigorous strategic planning process that NAPA is facilitating and (2) having a plan that is reflective of his priorities.

DHS OIG's approach to future planning efforts is uncertain. According to one senior leader, it is too soon to know if DHS OIG will contract an outside entity in the future or develop its strategic plans internally. The July 2019 directive about strategic planning remains the organization's official policy; however, according to one senior leader, DHS OIG has not yet decided if that directive and the roles and responsibilities it describes will guide future strategic planning and strategic implementation planning processes.

Without implementing organizational performance management processes—specifically those that ensure DHS OIG consistently (1) develops a strategic plan, (2) develops annual performance plans, and (3)

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<sup>58</sup>Chartered by Congress to provide nonpartisan expert advice, NAPA is an independent, nonprofit, and nonpartisan organization established in 1967 to assist government leaders in building more effective, efficient, accountable, and transparent organizations.

<sup>59</sup>In the summer of 2020, the Inspector General announced the termination of a member of the DHS OIG leadership team and another member of DHS OIG's leadership team was placed on administrative leave for related issues. About the same time, the Inspector General also announced to all DHS OIG staff that he had hired a law firm to conduct an independent inquiry into additional allegations of impropriety of three DHS OIG leaders, including these two individuals. The investigation, completed in December 2020, concluded that one of the DHS OIG senior leaders, with the assistance of the other two individuals, engaged in unprofessional conduct to the detriment of DHS OIG and its mission. It did not find evidence that these individuals engaged in illegal conduct.

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collects and uses data to assess progress—DHS OIG does not have a basis for assessing its own performance relative to such a plan in order to identify lessons learned or areas for improvement. To varying degrees, DHS OIG offices continue to track activities based on the descriptive outcomes in the strategic plan for fiscal years 2018–2019. However, those activities are derived from an out-of-date strategic plan. In addition, in the absence of a strategic plan, leaders and staff may not understand the organization’s priorities, goals, and objectives, which may limit leaders’ ability to motivate staff around shared goals and effectively direct work. We have previously reported that effective management of staff performance includes aligning individual performance to the organization’s goals, which cannot be done if those goals have not been defined.<sup>60</sup> A strategic plan is also a necessary input for developing a governance framework—to include a workforce plan, employee performance management approach, and risk assessments and responses—that collectively provide reasonable assurance that objectives will be achieved.

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## DHS OIG Lacks a Strategic Approach to Human Capital Management

DHS OIG has not taken a strategic approach to several human capital management areas, consistent with leading practices. Specifically, we identified gaps in (1) workforce planning, (2) resource allocation, (3) succession planning, and (4) performance management.

### Workforce Planning

DHS OIG has not taken a strategic approach to addressing its workforce needs, as leading practices recommend. Specifically, DHS OIG does not have a workforce planning process or other similar approach to systematically define current or future workforce needs, including necessary skills, for achieving the organization’s goals. In addition, DHS OIG has not assessed the collective skill sets of its current workforce, which could be used to identify skills gaps and serve as the basis for developing and implementing a plan to fill those potential gaps and address future needs.

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<sup>60</sup>GAO, *Results-Oriented Cultures: Creating a Clear Linkage between Individual Performance and Organizational Success*, [GAO-03-488](#) (Washington, D.C.: Mar. 14, 2003).

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CIGIE quality standards for OIGs state that OIG management is responsible for determining how to meet their workforce needs. CIGIE quality standards for OIGs also say that each OIG should assess the skills of its staff members and determine the extent to which these skills match the OIG's requirements. Consistent with CIGIE quality standards for OIGs, our previous work on strategic workforce planning identified key principles that, when incorporated, address an organization's critical need to align its human capital program with its current and emerging goals. Those key principles also address an organization's need to develop long-term strategies for meeting those human capital needs and achieving programmatic goals, whether by acquiring, developing, or retaining staff.

Specifically, we have previously identified several key principles for effective strategic workforce planning that organizations should address, including using the strategic direction developed in an organizational performance management process to: (1) determine the critical skills and competencies that will be needed to achieve current and future programmatic results; (2) develop strategies that are tailored to address gaps in number, deployment, and alignment of human capital approaches; (3) build the capability needed to address administrative, educational, and other requirements important to support workforce planning strategies; and (4) monitor progress toward human capital goals.<sup>61</sup> (See fig. 5.)

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<sup>61</sup>[GAO-04-39](#).

**Figure 5: Strategic Workforce Planning Process**



Source: GAO. | GAO-21-316

**Text of Figure 5: Strategic Workforce Planning Process**

1. Involvement of management and employees in all stages.
2. Set strategic direction
3. Workforce gap analysis
4. workforce strategies to fill the gaps
5. evaluation of and revisions to strategies
6. Build capability to support workforce strategies

DHS OIG does not have a workforce planning process or other similar approach to systematically define current or future workforce needs for achieving the organization’s goals. DHS OIG’s ability to articulate the critical skills and competencies it needs has been somewhat limited by its short-term approach to planning and organizational performance management, as discussed earlier in this report, that has frequently left the organization without a holistic understanding of its strategic direction

and the type of work it intends to do. As we have found in previous work, clear strategic direction set by organization and human capital leaders is a key input for defining the skills and competencies needed to achieve that vision.<sup>62</sup>

In addition, DHS OIG does not have a comprehensive understanding of the skills and competencies of its current workforce. According to officials we interviewed, the Training and Workforce Development Division in the Office of Management does not engage in regular assessments of the workforce as a whole. Rather, the Training and Workforce Development Division has done this type of assessment in response to ad hoc requests from leaders to determine the skills needed for a specific job function. The most recent assessment was for an administrative function and was completed in 2013.

According to senior leaders who oversee audit work, they assess the skills of their staff in the course of their management responsibilities. While this individual- or team-level assessment may be sufficient to determine whether staff possess the competence to perform the work assigned, it is not the collective assessment of skills of an entire job function—auditors, for example—or of the organization as a whole that CIGIE quality standards for OIGs or leading practices consider a key element of workforce planning.<sup>63</sup>

A holistic assessment of the skills of its workforce could help DHS OIG understand any gaps between the skills its staff has and those DHS OIG requires to successfully complete its work. This information could then be used, as leading practices describe, to develop tailored strategies for addressing any gaps, defining human capital goals, and monitoring progress toward those goals. Because DHS OIG had not defined the critical skills and competencies it needs and does not have a collective understanding of the skills and competencies of its current workforce, leadership does not have key information for developing the organization's strategy for filling those skills gaps, if any, and for building the capability to implement that strategy.

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<sup>62</sup>[GAO-04-39](#).

<sup>63</sup>CIGIE quality standards for OIGs for managing human capital state that OIGs should ensure that staff possess the core competencies to perform the work assigned in addition to assessing the collective skills of staff members to determine the extent to which these skills match the OIG's requirements.

In January 2021, the Assistant Inspector General for Management said DHS OIG intends to develop a comprehensive human capital plan for the organization by the end of fiscal year 2021; however, that effort has not yet started. Identifying the need for a comprehensive human capital plan and a time frame for developing that plan is a positive step. However, an organization's strategic goals are a critical input for workforce planning, and DHS OIG does not expect to have a strategic plan finalized until June 2021. As a result, the organizational performance goals, with which a workforce plan would be aligned, are not yet defined.

In addition, prior planning efforts have stalled as a result of changes in leadership and leadership priorities. Since DHS OIG has not yet initiated activities to develop a human capital plan, it is too early to determine if the planned effort will result in a comprehensive human capital plan that aligns with leading practices in workforce planning. Developing and implementing a workforce planning process that produces a strategic workforce plan—one that is built on and translates DHS OIG's strategic priorities and work plans into skill sets and competencies for staff and considers whether current staff have those capabilities—would allow leaders to make better informed decisions about the organization's training, recruiting, and contracting needs.

### Allocating Staff Resources

DHS OIG has not taken a strategic approach to allocating its human capital resources, as leading practices recommend. In our previous work, we have found that one of the key principles of strategic workforce planning is developing and implementing strategies to address gaps in the deployment of resources to ensure staff resources are allocated based on the organization's current and emerging mission and goals.<sup>64</sup> However, in practice, DHS OIG management has made decisions about resources that were not clearly linked to the organization's strategic goals, in part because those goals had not been defined. At times, management's decisions about resources also may have been driven by considerations, such as parity in number of staff across divisions, other than what resources were needed to efficiently achieve DHS OIG's mission.

For example, in recent years, the Assistant Inspector General for Audits told us she used parity across the office's four divisions as the guiding

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<sup>64</sup>[GAO-04-39](#).

principle for allocating staff positions. Officials who led those divisions told us that, as a result, staff allocations—rather than risk-based oversight priorities—determined the amount of work each audit division conducted. By contrast, leading practices call for risk-based oversight priorities to determine the distribution of work across the audit divisions and for management to allocate appropriate resources to conduct that work.

In addition, DHS OIG has not involved its human capital division in supporting the strategic allocation of staff resources. In our previous work, we found that an organization can benefit when it has human capital professionals who are prepared, expected, and empowered to provide a range of technical and consultative services to their internal customers as well as agency leaders and managers who consistently recognize the key role of human capital professionals in helping the agency and its people effectively pursue their mission.<sup>65</sup> However, DHS OIG human resources officials we interviewed told us they did not have visibility into the decision-making process for distributing staff resources, nor was it explained to them.

The role of human resources staff and the relationship between the division and other parts of DHS OIG has been a long-standing issue.<sup>66</sup> According to internal documents from 2017 summarizing the results of interviews with DHS OIG’s human resources staff, they considered not having a seat at the “big table” an organizational weakness. According to one human resources official, the role of the organization’s human resources staff who work with offices on hiring is generally limited to providing information and managing the paperwork.

Further complicating the potential for the organization’s human resources officials to be seen as a strategic partner to other offices is a lack of confidence in the human resources function. According to internal documents summarizing the results of interviews with human resources staff, those staff said in 2014, 2017, and 2019 that the other DHS OIG offices did not have confidence in their work. Over that same time period, internal documents summarizing the views of leaders and staff across the

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<sup>65</sup>GAO, *A Model of Strategic Human Capital Management*, [GAO-02-373SP](#) (Washington, D.C.: Mar. 15, 2002).

<sup>66</sup>We discuss the organizational changes associated with the human resources division earlier in this report.

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organization also identified the human resources function as an organizational weakness.

According to officials from the Office of Management, in 2020, the Inspector General reorganized the human resources division in an effort to enable more strategic human capital activities. That reorganization was completed in February 2021, though hiring staff for the division was ongoing. While dedicating resources to provide strategic human capital services to DHS OIG offices is a positive step, it is too early to know the effects of those changes.

DHS OIG's short-term approach to work planning and organizational performance management further limits its ability to strategically and efficiently allocate staff resources. Once DHS OIG has developed a strategic plan that documents goals, objectives, and performance measures, developing and implementing a process to allocate human capital resources based on that plan would help ensure DHS OIG is making the most effective and efficient use of its human capital.

### Succession Planning

DHS OIG does not have succession plans for how critical leadership roles will be filled in the event of a vacancy. Because of this gap in planning and the extent of the leadership turnover DHS OIG has experienced since 2015, at times multiple SES employees concurrently led more than one office, resulting in work products that were delayed or of inconsistent quality, according to DHS OIG staff.

CIGIE quality standards for OIGs state that OIGs should have a succession planning process to ensure that each OIG can maintain a workforce that collectively possesses the core competencies needed to accomplish its mission. CIGIE quality standards for OIGs reference *Standards for Internal Control in the Federal Government* (internal control standards) with respect to human capital planning processes, and those internal control standards call for management to develop succession plans for key roles, choose succession candidates, and train them to assume key roles.<sup>67</sup>

Effective succession planning can help agencies ensure they have a pipeline of talent to meet current and future mission requirements,

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<sup>67</sup>[GAO-14-704G](#).

according to the Office of Personnel Management (OPM) and our past work. Succession planning is a proactive and systematic process in which organizations identify the positions they consider to be too critical to be left vacant or filled by any but the best qualified persons, according to OPM guidance.<sup>68</sup> Organizations then develop a plan to fill those positions with qualified and capable employees. OPM's guidance also states that organizations should take a planned, deliberate, and holistic approach to selecting, developing, and engaging their workforce. In our prior work, we have noted that effective succession planning is more than filling existing vacancies with people with the same occupational skills and competencies.<sup>69</sup> Rather, succession planning focuses on current and future needs and develops pools of high-potential staff to meet the organization's long-term mission.

DHS OIG has not engaged in a systematic, deliberate, and holistic approach, as described in leading practices, to establish plans in the event of vacancies in leadership roles or prepare potential successors to assume key roles in a temporary or permanent capacity. In response to significant senior leadership turnover during the period we reviewed, SES employees often concurrently led more than one office or filled more than one role within an office.

For example, from September 2016 until November 2017, the Deputy Inspector General was also the Acting Assistant Inspector General for Audits, which at the time was the organization's second-largest office. In 2018, when the Acting Inspector General created the Office of Special Reviews and Evaluations, the Assistant Inspector General for Legal Affairs concurrently managed the Office of Counsel and jointly oversaw the Office of Special Reviews and Evaluations, along with the Chief Operating Officer.<sup>70</sup> In early 2020, within a year of joining DHS OIG, the Deputy Assistant Inspector General for Special Reviews and Evaluations was triple-hatted, after one SES official left permanently and another was out of the office on military leave. That individual simultaneously served as the Deputy Assistant Inspector General for Special Reviews and

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<sup>68</sup>OPM, *Guidance on Establishing an Annual Leadership Talent Management and Succession Planning Process* (Washington, D.C.: Nov. 1, 2017).

<sup>69</sup>GAO, *Veterans Affairs: Sustained Leadership Attention Needed to Address Long-Standing Workforce Problems*, [GAO-19-720T](#) (Washington, D.C.: Sep. 18, 2019).

<sup>70</sup>It follows that, at this time, the Chief Operating Officer was dual-hatted as the co-Acting Assistant Inspector General for Special Reviews and Evaluations.

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Evaluations, the Acting Inspector General for Special Reviews and Evaluations, and the Acting Assistant Inspector General for IQO.

As a result of leaders who were responsible for overseeing more than one office or more than one role within an office, work products were delayed or of inconsistent quality. According to senior leaders and other officials we interviewed who were managed by these individuals, double- or triple-hatted leaders' capacity and attention was stretched. For example, one senior leader told us that while the Deputy Inspector General was also the Acting Assistant Inspector General for Audits, report review timelines for work were protracted and some work products remained unapproved for months. According to a 2019 internal report summarizing the results of interviews with staff from the Office of Special Reviews and Evaluations, which was concurrently led by two dual-hatted leaders, the situation led to inconsistent reports. According to that internal report, Special Reviews and Evaluations staff said that each leader provided different guidance for report development and that, based on staff experiences with report reviews at that time, the office's leadership was overwhelmed.

Developing and implementing a process to develop succession plans would help DHS OIG mitigate the risks of operational disruptions and leadership gaps that can occur with planned and unplanned vacancies. For example, preparing for and documenting how key positions will be filled in the event of vacancies would allow senior leaders to better manage the allocation of responsibilities and avoid potential workload issues when SES staff concurrently fill more than one role or manage more than one office. In addition, such a process could help provide transparency to those affected by changes, allowing them to prepare for transitions and positively affecting staff morale.

### Performance Management

There is disagreement within the organization about whether DHS OIG has a performance management policy for the vast majority of its staff.<sup>71</sup> We determined that to the extent that a performance management policy exists, it is not used by staff or managers and has not been consistently used to guide performance management activities. Since the summer of 2020, DHS OIG has taken some steps to address weaknesses in its

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<sup>71</sup>DHS OIG has a performance management policy for its SES staff. However, in fiscal year 2020, those staff accounted for approximately 2 percent of DHS OIG's staff.

performance management procedures. However, it is too soon to assess the effects of those efforts.

CIGIE quality standards for OIGs state that each OIG should have a process to evaluate staff members to ensure that the OIG can maintain a workforce that collectively possesses the core competencies needed to accomplish its mission. We have previously reported that effective performance management systems incorporate several key practices to create a clear link between individual performance and organizational success.<sup>72</sup> Those key practices include aligning individual performance to organizational and crosscutting goals, using competencies to provide a fuller assessment of performance, making meaningful distinctions in performance, and involving employees in the development of the performance management system in order to increase understanding and commitment to the system, among others.

Over the course of our review, we received conflicting information about whether DHS OIG had a performance management policy, such as:

- Some senior leaders said that they rely on DHS's performance management policy. According to internal documents we reviewed related to employee grievances and responses to our questions, some senior leaders told us or told staff that DHS OIG follows the department's performance management policy. However, DHS's performance management policy states that employees of DHS OIG are excluded from its scope. As such, DHS OIG should not be relying on DHS's policy for performance management.
- Other officials and leaders told us that the organization has no performance management policy. In two efforts to catalog DHS OIG's policies—one in 2016 and one in 2019—officials determined that DHS OIG did not have a performance management policy or handbook.
- Based on our review of DHS OIG's intranet pages from February 2021, where all official policies are made available to staff, there is no performance management policy listed.
- In response to a statement of our preliminary findings, one DHS OIG leader who previously told us that DHS OIG did not have a performance management policy provided us a performance management policy from 2008. This leader said that the 2008 policy was in effect, as of January 2021.

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<sup>72</sup>[GAO-03-488](#).

According to internal documents we reviewed, a revised performance management policy has been in draft form since 2017. However, as of January 2021, that policy had not been finalized.

The reason the draft performance management policy has not been finalized is two-fold. According to officials, the Inspector General directed staff to address other governance priorities, which we describe in greater detail later in this report, before proceeding with the review and revision of any DHS OIG policies, such as the performance management policy.<sup>73</sup> In addition, according to one senior official, the Inspector General's focus from shortly after his arrival in July 2019 through the first half of 2020 was on the personnel issues and associated investigation described earlier in this report, and so addressing the organization's personnel policies was not among his top priorities. In January 2021, the Assistant Inspector General for Management said the draft performance management policy was being updated, but she did not provide a timeline for approval.

In recent years, DHS OIG leaders and staff have raised concerns about inconsistencies in performance management practices. In October 2019 and November 2019, in a series of memos responding to the Inspector General's request for recommendations to improve DHS OIG, the Deputy Inspector General and two other senior leaders wrote that the organization's performance management process was a key organizational issue the Inspector General should address in his first year. An internal review summarizing the results of interviews with staff from across the organization identified the inconsistent application of performance standards as an organizational weakness and a cause of staff concern.<sup>74</sup>

DHS OIG has recently taken steps to deliver performance management training. In the summer and fall of 2020, the Office of Counsel and the Office of Management delivered three performance management-related trainings to DHS OIG's supervisors. The sessions covered the legal aspects of performance management and conduct, end-of-year performance management activities, and performance planning for the new fiscal year. From November 2020 through January 2021, the Office of Management also delivered four performance management training sessions for new hires. However, based on our review of supervisor

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<sup>73</sup>We discuss the policy review and revision process in additional detail later in this section.

<sup>74</sup>DHS OIG, *Fiscal Year 2019 Enterprise Profile*.

trainings planned for fiscal year 2021, the performance management sessions do not appear to be recurring trainings and, according to one DHS OIG senior leader, the organization has not determined how frequently those trainings will be delivered. As a result, it is too soon to tell the effects of these efforts.

Effective performance management is developed and implemented through policy and processes. According to leading practices, those policies and processes clearly set responsibilities and expectations for staff and supervisors that are aligned to organizational goals, define appropriate training for those staff and supervisors, establish mechanisms to show progress and identify areas for improvement, and enable consistency in ratings and rewards. Without developing and implementing such policies and processes, DHS OIG risks losing the skills of top talent. An effective and credible performance management system that links individual performance to organizational success can not only protect against that risk but can also reinforce individual accountability for achieving results.

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### DHS OIG's Management Policies and Procedures Are Not Consistent with Selected Internal Control Standards

DHS OIG's management policies and procedures are not consistent with internal control standards specifically as they relate to (1) establishing an organizational structure that efficiently and effectively enables the organization to meet its goals; (2) clearly defining roles and responsibilities; (3) managing internal and external organizational risks; and (4) establishing a comprehensive set of organizational policies and procedures.

CIGIE quality standards for OIGs state that the Inspector General and OIG staff shall direct and control OIG operations consistent with internal control standards. Internal control standards provide the overall framework for establishing and maintaining an effective internal control system—that is, the policies, procedures, and practices—an organization uses to achieve its objectives and fulfill its mission. When an internal control system is mature and highly effective, it may be indistinguishable from the day-to-day activities that staff perform. Designed and implemented correctly, an internal control system increases the likelihood

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and provides reasonable assurance that the organization will achieve its objectives.<sup>75</sup>

Internal control standards comprise the five components of internal control and their associated requirements as well as important characteristics that explain those requirements. We assessed DHS OIG's policies and procedures for three of these components that relate most directly to the foundation of the organization's internal control system to determine the extent to which management and operations aligned with internal control principles related to these components. Specifically, we considered: (1) the control environment, which is the foundation for the overall system and includes the organization's structure and the responsibilities of each part of that structure; (2) risk assessment, which refers to the identification, evaluation, and response to internal and external organizational risks; and (3) control activities, which refers to the policies and procedures that management establishes to achieve objectives and respond to risks.<sup>76</sup>

Based on our analysis of documents and interviews with senior leaders, DHS OIG's policies, and procedures are not consistent with internal control standards specifically as they relate to organizational structure and responsibilities; organizational risk assessment; and policies.

### Organizational Structure and Responsibilities

DHS OIG management has not established an organizational structure and clearly defined the responsibilities of each office or division consistent with internal control standards, and DHS OIG's organizational design has the potential for operational gaps in some areas as well as overlap and duplication in others.

Internal control standards state that, by understanding the organization's objectives and the responsibilities derived from those objectives, management can establish an efficient and effective organizational

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<sup>75</sup>[GAO-14-704G](#).

<sup>76</sup>The two components of internal control not covered are: (1) information and communication, which refers to the use of information and communication to support the internal control system, and (2) monitoring, which refers to the continual assessment of the internal control system to evaluate performance over time and make adjustments so that system is aligned with changing objectives, environment, laws, resources, and risks. See appendix I for more information about our scope and methodology.

structure. A key attribute of such a structure is the assignment of responsibilities to discrete units. As part of establishing an organizational structure, management is also to consider how units interact in order to fulfill their overall responsibilities. Internal control standards also recommend that management periodically evaluate the organizational structure to ensure it continues to meet the entity's objectives over time.<sup>77</sup> An overall evaluation—one that considers how offices and divisions interact in order to meet the mission and needs of the organization—and clear definition of the responsibilities of each office or division could be particularly valuable in circumstances when the organization determines a need to modify a particular part of the organizational structure.

DHS OIG has made numerous changes to its organizational structure, as discussed earlier in this report. However, none of those organizational changes was made on the basis of an evaluation of DHS OIG's overall organizational structure. As a result, DHS OIG does not have reasonable assurance that it will efficiently and effectively meet its goals. In addition, without a clearly documented and discrete assignment of responsibilities, not all staff understand their place within the organization, what they can expect from other divisions, and how program offices and divisions should work together.

For example, to align the organization's professional standards for audit work and address a leadership vacancy, DHS consolidated its audit functions under a single office. However, based on our assessment of documents and interviews with senior leaders, we found that the structure of that office—the Office of Audits—and a lack of clear definition of each audit division's responsibilities may result in overlap or duplication of audit work areas as well as gaps in oversight of DHS priorities. Following the consolidation, the Office of Audits has four divisions, two of which are focused on DHS functions across DHS's component organizations and two of which are focused on DHS mission areas.<sup>78</sup>

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<sup>77</sup>GAO-14-704G.

<sup>78</sup>For the purposes of this report, we refer to DHS OIG's audit functional areas as audit divisions. The Office of Audits divisions are: (1) Financial Management, Acquisitions, and Emerging Threats, which conducts reviews of financial management and acquisitions activities across DHS and its components; (2) Technology Audits and Analytics Support, which conducts information technology-related reviews across DHS and its components; (3) Law Enforcement and Terrorism, which conducts reviews of counterterrorism, border security, and immigration enforcement activities; and (4) Disaster Management and Infrastructure Protection, which conducts reviews of disaster response and recovery and critical infrastructure activities.

Based on an August 2019 presentation from the Office of Audits about its structure and work, the mission-based divisions' projects could collectively reach programs in all of DHS's component agencies. However, according to interviews with some Deputy Assistant Inspectors General for Audits, because the two divisions that focus on DHS functions—for example, acquisitions or information technology—conduct work across DHS, including across operational components, support components, and the Leadership Office, and because the audit portfolios are not clearly defined, there is the potential for overlap and duplication of oversight.<sup>79</sup> According to some Deputy Assistant Inspectors General for Audits, at times, they and staff are unclear about which topics belong in which audit portfolio. For example, one senior leader told us that there is no clear guidance whether an audit related to a law enforcement component's technology systems should be conducted by the Law Enforcement and Terrorism division or the Technology Assessments and Analytics Support division.

According to Deputy Assistant Inspectors General for Audits we interviewed, the roles and responsibilities of each portfolio leader were not clearly defined as part of the integration process when all audit functions were consolidated under the Office of Audits and have not been clarified since. They stated that they share proposals with each other when they send them to the Assistant Inspector General for review as a way to deconflict work. However, that step comes after the proposals are developed within each division and there is no process to ensure that the division that conducts the audit work involves one or more experts from other divisions to ensure subject matter expertise is collectively leveraged in planning and conducting the audit.

In addition to the potential for overlapping and duplicative work, there is the potential for oversight gaps of some DHS support components as well as Leadership Office activities. For example, DHS's most recent strategic plan, released in July 2019, includes a strategic goal focused on strengthening its management functions and workforce with an emphasis on headquarters-specific, cross-component, and department-wide

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<sup>79</sup>In this context, overlap is when multiple parts of the organization have similar goals, engage in similar activities or strategies to achieve them, or target similar entities. Duplication is when two or more parts of the organization are engaged in the same activities or provide the same services to the same entities. GAO, *2020 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Billions in Financial Benefits*, [GAO-20-440SP](#) (Washington, D.C.: May 19, 2020).

activities.<sup>80</sup> As previously discussed, two Office of Audits divisions focus on certain DHS management functions, including financial management, acquisitions, and information technology. However, our analysis indicates that other management functions, such as DHS human capital management and DHS organizational performance management, are not clearly aligned to or defined as the responsibility of an existing audit division.

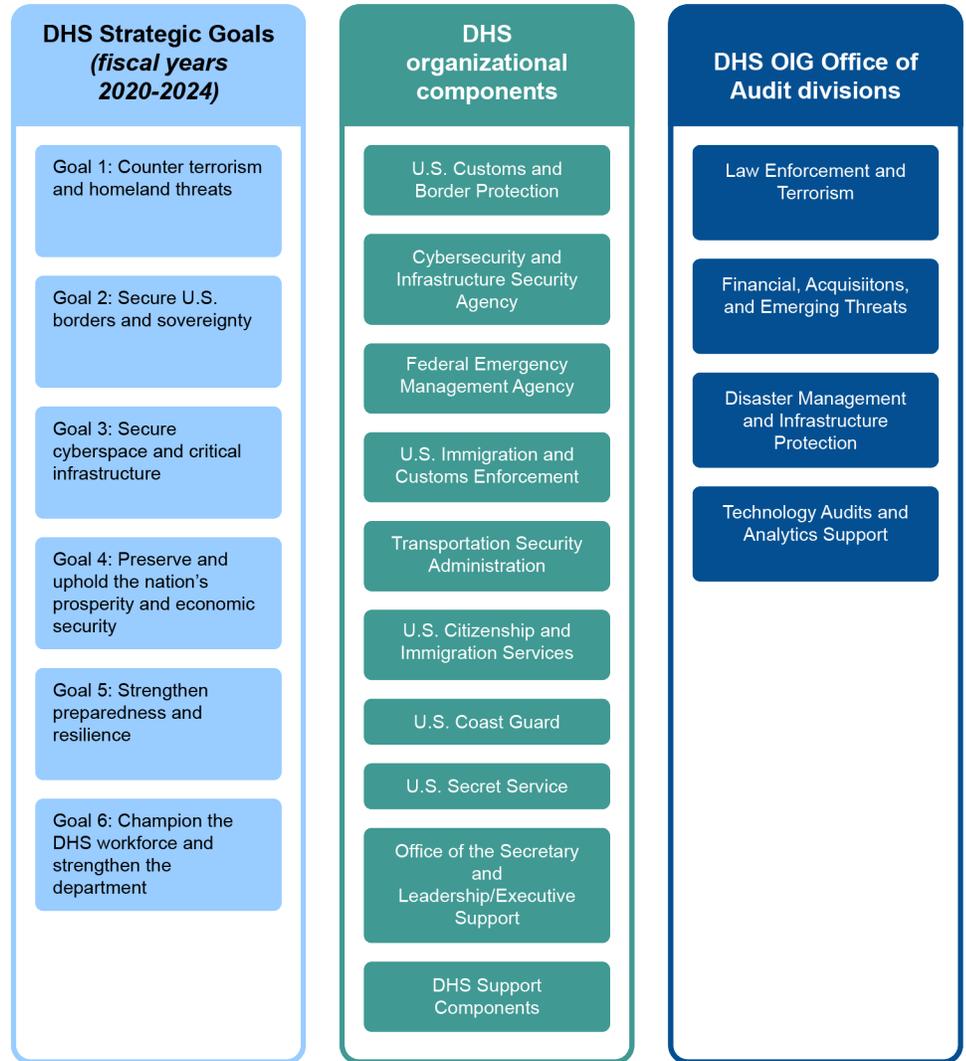
This is potentially problematic because the structure of the Office of Audits, in combination with DHS OIG's approach to work planning—in which staff in each division propose new work—leaves the possibility that some headquarters-specific or cross-component activities may be overlooked as a subject for audit work. For example, promoting department-wide mission support and business support integration and developing cross-component career advancement opportunities are strategic priorities in DHS's strategic plan for fiscal years 2020–2024. However, because those topics are not clearly aligned to one of DHS OIG's Office of Audits divisions, audit staff may overlook them when proposing work.<sup>81</sup> (See fig. 6.)

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<sup>80</sup>DHS, *DHS Strategic Plan for Fiscal Years 2020-2024* (Washington, D.C.: July 2019).

<sup>81</sup>DHS OIG officials told us that work that includes these management functions appears in several DHS OIG reports. However—particularly in light of DHS OIG's current work planning process, as previously discussed—including functions such as DHS human capital management in the scope of some audit work is different than ensuring that there is a division that is assigned responsibility for headquarters-specific, cross-component, and department-wide DHS human capital management.

**Figure 6: Department of Homeland Security (DHS) Strategic Goals for Fiscal Years 2020–2024, DHS Organizational Components, and DHS Office of Inspector General (OIG) Office of Audits Divisions**



Source: GAO analysis of DHS and DHS OIG documents. | GAO-21-316

**Text of Figure 6: Department of Homeland Security (DHS) Strategic Goals for Fiscal Years 2020–2024, DHS Organizational Components, and DHS Office of Inspector General (OIG) Office of Audits Divisions**

**DHS Strategic Goals (fiscal years 2020-2024)**

1. Goal 1: Counter terrorism and homeland threats

2. Goal 2: Secure U.S. borders and sovereignty
3. Goal 3: Secure cyberspace and critical infrastructure
4. Goal 4: Preserve and uphold the nation's prosperity and economic security
5. Goal 5: Strengthen preparedness and resilience
6. Goal 6: Champion the DHS workforce and strengthen the department

**DHS organizational components**

1. U.S. Customs and Border Protection
2. Cybersecurity and Infrastructure Security Agency
3. Cybersecurity and Infrastructure Security
4. U.S. Immigration and Customs Enforcement
5. Transportation Security Administration
6. U.S. Citizenship and Immigration Services
7. U.S. Coast Guard
8. U.S. Secret Service
9. Office of the Secretary and Leadership/Executive Support
10. DHS Support Components

**DHS OIG Office of Audit divisions**

1. Law Enforcement and Terrorism
2. Financial, Acquisitions, and Emerging Threats
3. Disaster Management and Infrastructure Protection
4. Technology Audits and Analytics Support

Source: GAO analysis of DHS and DHS OIG documents. | GAO-21-316

Note: In addition to the Office of Audits, the Office of Special Reviews and Evaluations conducts inspections, evaluations, and other reviews. That office is not organized by subject or functional area.

An internal assessment conducted in August 2017 by DHS OIG officials in the Executive Office, in preparation for the merger of the Office of Audits and the Office of Emergency Management Oversight, determined that the organizational structure at the time did not ensure that the Office of Audits work addressed all DHS missions. Prior to the merger, there were three audit offices—(1) Emergency Management Oversight, (2)

Information Technology Audits, and (3) Audits. The Office of Audits at that time included two divisions, one that focused on financial audits and one that focused on law enforcement and terrorism. According to documents we reviewed, prior to the merger of the Office of Emergency Management Oversight with the Office of Audits, officials considered adding a division that would focus on DHS management, leadership, and support services. However, the structure DHS OIG ultimately implemented—a version of which is currently in place—did not include such a division.<sup>82</sup>

In addition, DHS OIG's established design and management's assignment of responsibilities also has the potential for overlap and duplication of internal operational activities. For example, training and policy activities are executed by more than one office with little coordination among responsible entities.

- **Training.** Specifically, there is a Training and Workforce Development Division within the Office of Management, but each office also relies on its own staff to coordinate training. For example, the Office of Audits maintains a separate group to facilitate trainings for audit staff.

According to a June 2019 internal review, the Training and Workforce Development Division was never resourced to fully support the organizational development of DHS OIG's workforce. The internal review concluded that training operations were not centralized and uniform across the organization, lacked mechanisms to align those decentralized elements, and did not facilitate continual learning and organizational development to ensure OIG maintains a skilled workforce. Since the release of the June 2019 report, the Training and Workforce Development Division published a course catalog and reconstituted a group to serve as a coordinating body with staff from across the organization to address standardization issues. That group drafted updates to DHS OIG's training policies that included how the Training and Workforce Division would coordinate with the other DHS OIG offices and mandatory requirements. However, in October 2020, officials told us that the Inspector General disbanded the group and the policy updates and other decisions about standardization have not been reviewed and approved.

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<sup>82</sup>Following the merger of the Office of Emergency Management Oversight with the Office of Audits, there were three audit divisions: (1) Law Enforcement and Terrorism, (2) Disaster and Immigration, and (3) Financial Management, Acquisitions, and Procurement. The Office of Audits subsequently merged with the Office of Information Technology Audits, as discussed earlier in this report.

- **Policy.** We found similar potential for overlap and duplication, and an opportunity for improved coordination, with DHS OIG’s policy function. DHS OIG has a Policy, Strategy, and Risk Division aligned under IQO as well as a Strategy, Records, and Coordination Division within the Office of Management. According to IQO, its Policy, Strategy, and Risk Division ensures alignment between DHS-wide policies and procedures and those developed and enacted within DHS OIG. According to the official who leads the Strategy, Records, and Coordination Division within the Office of Management, that division also assesses whether DHS-wide policies do and should apply to DHS OIG, and specifically to the functions in the Office of Management, which includes the human capital, budgeting, and training activities that are the subject of many DHS OIG policies.

IQO has coordinated updates to policies and supported strategic planning since 2018. However, according to some officials, the Office of Management is better suited for those activities because DHS OIG policies are largely related to human capital and organizational management—for example, telework, grievances, and the dress code.

DHS OIG’s organizational structure—with its potential for overlap and duplication—and the lack of clearly defined responsibilities for certain divisions means it is missing a key element of an effective control environment. As a result, DHS OIG may not efficiently and effectively meet its strategic objectives, once those are defined. At a staff level, clearly defined roles and responsibilities can set expectations and drive accountability across the organization. By evaluating the structure of the organization and clearly defining the responsibilities of each division and program office, DHS OIG could lay the foundation for staff’s shared understanding of their place within the organization, what they can expect from other divisions, and how offices and divisions can work together or independently to achieve the organization’s strategic objectives.

### Organizational Risk Assessment

As an organization, DHS OIG does not formally analyze the risks it faces from internal or external sources, nor does it develop risk responses and assess the effectiveness of those responses, as internal control standards describe.<sup>83</sup> DHS OIG’s initial risk assessment efforts, conducted in 2017 by OERIM—the office tasked with risk-related activities—incorporated several key practices. Since 2018, after DHS OIG

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<sup>83</sup>[GAO-14-704G](#).

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dissolved OERIM, DHS OIG has identified some risks as part of staff-driven planning exercises.

CIGIE quality standards for OIGs states that each OIG shall assess risks the organization faces from both internal and external sources. Internal risks refers to risks that originate within the organization. In the context of an OIG, internal risks could include a new manual or handbook that may affect how the organization does its work, vacancies in critical roles that may affect the organization's ability to do its work, or aging technology that may affect the organization's ability to efficiently produce work. External risks refers to risks that originate outside of the organization. In the context of an OIG, those risks could include new or amended laws that affect the organization's scope of work; the publication of new professional standards that affect how the organization does its work; or the potential for a natural disaster that, given DHS OIG's role in oversight of the Federal Emergency Management Agency, might affect the volume of work.

Assessing the risks an organization faces to achieving its objectives is the basis for developing and implementing appropriate risk responses. Internal control standards describe a risk assessment process that starts with management (1) defining specific and measurable objectives and (2) identifying the organization's tolerance for risk for each of those objectives. It is with that understanding of the organization's goals and its threshold for variation in performance, accuracy, or other measures that it can identify risks to achieving its objectives. Once risks are identified, management analyzes and determines an appropriate response and actions to implement that response.<sup>84</sup>

In 2016, DHS OIG leadership established OERIM and in 2017, staff initiated risk assessment activities, but the office's success was impeded because it lacked key inputs. Specifically, because DHS OIG did not have a strategic plan, performance plan, or other articulation of its organizational objectives, staff could not identify, prioritize, and address risks to achieving those objectives as internal control standards describe.

Nevertheless, staff in OERIM developed a methodology and conducted interviews with staff from most offices across DHS OIG to identify weaknesses and threats to DHS OIG's operations as a mechanism to identify risks to the organization. Those staff documented next steps in

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<sup>84</sup>[GAO-14-704G](#).

their methodology. These next steps were to include proposing ways to address identified risks and using an internal steering committee of DHS OIG leadership to analyze and prioritize those identified risks and report on the highest priorities. However, according to an internal document summarizing the effort, DHS OIG leadership halted the effort in late 2017 and DHS OIG did not develop a comprehensive list of the organization's internal and external risks. According to DHS OIG officials, those efforts were not restarted before DHS OIG had a change in top leadership and, subsequently, OERIM was dissolved in 2018.

Since 2018, DHS OIG staff have taken steps to identify risks, but that effort did not include formally analyzing, responding to, or monitoring those risks. For example, in 2019, DHS OIG restarted its process of interviewing staff across the organization to identify risks as part of staff-driven strategic planning exercises. Using that information, DHS OIG assembled a list of risks to the organization. However, DHS OIG did not analyze or determine the organization's response to those risks. Specifically, DHS OIG did not estimate the impact or likelihood of each risk to identify priority areas nor did it determine if the organization would accept, mitigate, avoid, or share the risk and develop associated plans to implement those responses, consistent with internal control standards.

Further, the risks DHS OIG identified in the 2019 exercise were largely the same as those identified in the 2017 exercise. They are also consistent with several of the organizational, management, and operational issues that we discuss in this report. For example, both the 2019 and 2017 exercises, as well as our work, identified a lack of policies as an organizational weakness. Those exercises also identified risks related to training and the timeliness of reporting.<sup>85</sup> As of December 2020, DHS OIG has not explicitly addressed these or other risks identified in the previous exercises.

DHS OIG staff also initiated a pilot to demonstrate how they would approach analyzing and responding to risk. In 2019, the Deputy Assistant Inspector General for Management, in collaboration with IQO's Policy, Strategy, and Risk Division piloted a process to analyze risk and develop potential responses for certain types of safety and security threats.<sup>86</sup> In June 2020, staff considered the pilot sufficiently complete and planned to

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<sup>85</sup>We discuss timeliness of reporting later in this report.

<sup>86</sup>For the purposes of the pilot, DHS OIG staff considered risks to the safety of its people and the security of its facilities, assets, and information from internal and external threats.

brief the Inspector General on the outcome of the pilot to demonstrate the value of the approach if implemented broadly. However, according to DHS OIG officials involved in that effort, as of February 2021, they have not yet been able to brief the Executive Office on their work. As a result, they do not yet have a path forward for this effort.

Though DHS OIG staff continued to take steps to implement risk-related practices over the time period we reviewed, they have not had consistent direction and support from the organization's executives, which is a key component for successful implementation of risk management activities. Internal control standards state that the tone set by top executives in an organization can be a driver or a barrier to implementing internal controls and specifies that without a strong tone at the top, the entity's risk identification may be incomplete and risk responses may be inappropriate. According to officials working in the Policy, Strategy, and Risk Division, leadership has not provided a vision, direction, or expectations for their risk management activities since 2018. Those officials told us that they do not know what the goals or expectations of the risk management function are, and they operate largely without the strong executive champion and consistent leadership commitment to implementation that is required for success.

Assessing the risks to achieving an organization's objectives is a critical step in effectively and efficiently responding to those risks. That is, developing and implementing a process to identify, analyze, and determine the appropriate response to risks based on (1) the organization's goals and (2) its tolerance for variance in performance relative to achieving those goals are necessary for the organization to develop effective policies, procedures, and other activities that collectively enable it to succeed.

### Policies

As of November 2020, DHS OIG had critical policy gaps that had existed for years. Efforts to standardize policy-making and review have stalled in the aftermath of frequent leadership turnover and reassignment of the policy function across offices. As a result, staff throughout DHS OIG are operating without current and critical organizational policies, which has led to management actions that some staff consider arbitrary. These policy gaps also open management to potential complaints of favoritism or bias that may hurt morale and negatively affect operations.

CIGIE quality standards for OIGs states that each OIG should establish and implement control activities—that is, policies, procedures, and other mechanisms to achieve organizational objectives and respond to risks. Internal control standards state that those control activities—for example, managing human capital—should be implemented through policies.<sup>87</sup> The organization’s management (1) documents those policies as appropriate based on its size and the complexity of its operational processes, (2) communicates those policies to all staff, and (3) periodically reviews those policies for continued relevance and effectiveness. In addition, DHS OIG developed—and leadership approved—two related policies, both dated April 2019, to establish the policy and administrative procedures for developing, coordinating, reviewing, issuing, and managing new or revised policies.<sup>88</sup>

Several DHS OIG officials as well as staff have identified DHS OIG’s policy framework as an organizational weakness and provided examples of notable gaps or missing policies that may present organizational risks. For example:

- **Anti-harassment policy.** DHS’s anti-harassment policy, issued in 2013 and updated in 2019, explicitly states that it does not apply to DHS OIG and DHS OIG should develop its own procedures for anti-harassment activities. DHS OIG officials drafted an anti-harassment policy in 2018. However, because of the review process and timing of turnover at the Inspector General and other senior leadership positions, the draft policy has not been approved and finalized. As a result, DHS OIG does not have an anti-harassment policy which, according to DHS OIG officials, poses a risk to the organization.
- **Performance management policy.** As previously discussed, DHS OIG officials provided conflicting information about whether DHS OIG had a performance management policy and we determined that, to the extent that a performance management policy for staff exists, it is not used by staff or managers and has not been consistently used to guide performance management activities. In January 2021, the Assistant Inspector General for Management said a draft performance

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<sup>87</sup>GAO-14-704G.

<sup>88</sup>OIG Policy Development, Review, and Management, OIG-2019-001 (Apr. 15, 2019) and Procedures for OIG Policy Development, Review, and Management, OIG-2019-002 (Apr. 15, 2019).

management policy was being updated but did not provide a timeline for approval.

In addition, according to some DHS OIG leaders and staff, some approved policies—including the change in duty station<sup>89</sup> and grievance policies—are out of date or not being followed but have not been retracted or replaced. However, as of February 2021, those policies were posted on DHS OIG’s intranet site, which states that the posted policies are the official policies of the organization. This has caused confusion among some staff and leaders. For example:

- **Change in duty station.** Since the summer of 2019, the status of the change in duty station policy and the process for approving change in duty station requests have, at various times, been unclear to DHS OIG staff and leaders. According to internal emails, DHS OIG’s policy on employee-initiated change in duty station requests was revised by the organization’s policy committee and routed to the Inspector General for review and approval in late July 2019. As of December 2020, the revised policy was in draft form.

According to the Office of Management, the change in duty station policy (dated March 2018) was suspended in 2019 and DHS OIG has not considered any change in duty station requests since that time. However, management did not communicate that decision to its workforce until August 2020. Based on our review of internal emails and interviews with officials, some staff were confused about the status of the March 2018 policy and, believing it to be in effect, continued to request changes in duty station. That confusion extended to leaders, who in some instances, attempted to approve and process those requests. As of February 2021, the 2018 policy was posted on DHS OIG’s intranet.

The Inspector General also made a broader change to the approval process for personnel decisions that caused confusion. In fall 2019, the Inspector General instructed DHS OIG leadership that personnel actions required his approval. Because DHS OIG officials considered requests for change in duty station a personnel action, the Inspector General effectively changed the approval process for change in duty station requests. However, this change is not reflected in the policy posted on the intranet. According to emails we reviewed, this caused

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<sup>89</sup>Change in duty station refers to situations when an employee’s work site (i.e. the city/town, county, or state) changes without any other changes (e.g., position description, grade, etc.).

confusion among some officials and, according to DHS OIG officials, frustration for staff who experienced a process inconsistent with policy and without explanation.

- **Grievance policy.** Some senior officials also expressed concern about how the grievance policy was being modified and applied. For example, in November 2019, the Inspector General emailed a group of senior leaders amending DHS OIG's Grievance Handbook to exclude telework-related matters from the organization's grievance procedures. In a memo to the Inspector General about policy changes, the Assistant Inspector General for IQO wrote that policy changes made outside of the existing policy process would cause confusion. In an email accompanying that memo, this official expressed concern that such actions would undercut management's efforts to be transparent with staff. Though the Inspector General stated that the change to the grievance policy was effective immediately, this change was not reflected in the grievance handbook DHS OIG provided to us in April 2020. Further, the official grievance policy posted on DHS OIG's intranet is dated April 2007.

Leadership changes as well as movement of the responsibility for coordinating and updating organizational policies have caused delays in addressing this organizational weakness. According to one official, staff have restarted the review and approval process for the anti-harassment policy more than once because individuals in the approval chain have left the organization before a revised policy was finalized. In addition, responsibility for coordinating the development and updating of DHS OIG policies has moved between several offices, resulting in confusion about the process and who was responsible for it.

In early 2019, leadership and staff took steps to formalize DHS OIG's policy development and review process, as well as to assess and prioritize policies requiring revision or replacement. According to a memo from the Assistant Inspector General for IQO to the Inspector General, leadership directed Policy, Strategy, and Risk Division staff to catalog and prioritize updating policies so they were easily accessible to all staff in February 2019. To that end, DHS OIG formed a policy committee—composed of some of DHS OIG's SES staff—to review policies, solicit feedback, and modify policies as appropriate. The staff in the Policy, Strategy, and Risk Division also developed—and, in April 2019, the Acting Inspector General approved—a set of policies to formalize and standardize the process for developing, reviewing, and managing the organization's policies. By the end of October 2019, consistent with their responsibilities under the directives approved in April 2019, Policy,

Strategy, and Risk Division staff assessed the status of DHS OIG's policies. In a March 2020 presentation for the Inspector General, those staff reported that approximately 90 percent of the agency's policies had not been reviewed or updated in at least 3 years—the time frame established in the April 2019 policy for reviewing policies for accuracy, completeness, and relevancy. More significantly, within those policies, staff identified 51 DHS OIG policies that required revision or replacement. Of these, the policy committee of senior leaders identified 21 policies that they considered high priority policies for review. The policy committee's top three priorities were the anti-harassment, change in duty station, and grievance policies.

However, efforts to operationalize the policy development and review process defined in the April 2019 policies stalled under direction from new leadership. According to emails we reviewed from early 2020, the Inspector General prioritized the creation of a delegation of authorities, which he determined needed to be completed before reviewing new or revised policies.<sup>90</sup> According to senior leaders we interviewed, the Inspector General wanted to document, via a comprehensive delegation of authorities, who within DHS OIG should and would be responsible for each action before staff updated the associated policy. As such, the policy committee's activities stopped while Policy, Strategy, and Risk Division staff documented how actions were currently delegated and worked collaboratively with the Executive Office to identify any changes the Inspector General wanted to make to those delegations. According to DHS OIG officials, they submitted the draft delegation of authorities to the Executive Office for review in December 2020.

As of February 2021, the delegation of authorities had not been approved and the policy committee's work had not been restarted. According to one senior leader, the Inspector General said he would approve policy updates "as needed." For example, in November 2020, the Inspector General approved a new internal complaint policy. According to that senior leader, DHS OIG prioritized finalizing this new internal complaint policy because it was one that we had inquired about. It was not developed consistent with the April 2019 policy process because, according to that senior leader, the Inspector General preferred a different approach.

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<sup>90</sup>A delegation of authorities is part of an organization's internal control system and is a means to document the actions certain individuals may take on behalf of management.

The policies that management establishes are the means by which an organization responds to risks and implements its control activities. If, as one senior leader described, new leadership can choose which policies it wants to follow and which it prefers to ignore, the tone that leadership is setting is one that undercuts the value of standardized and documented approaches and can become a barrier to implementing the type of internal control system that can help an entity function efficiently and effectively to achieve its objectives.

The absence of or lack of adherence to applicable policies has resulted in decisions that staff consider arbitrary, which potentially opens DHS OIG management to complaints of favoritism or bias that may hurt morale or negatively affect operations. In addition, the potential for inconsistently applying standards or processes presents an organizational risk. Because DHS OIG has not implemented a standard and ongoing process governing how policies are developed, reviewed, approved, and managed—including how changes are documented and communicated with staff—staff have frequently operated in the absence of up-to-date and critical organizational policies.

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## Work from Some DHS OIG Program Offices Has Not Consistently Adhered to Professional Standards

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### DHS OIG Has Not Consistently Identified Appropriate Professional Standards in its Work or Aligned All Work to Standards

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DHS OIG has not included a compliance statement in all of its reports to identify appropriate professional standards to which its work adhered. Further, while DHS OIG has internal and external guidance for some work, such as audits, there are gaps in guidance—or how that guidance is implemented—for other types of work. Professional standards provide a shared framework across federal OIGs and describe how OIGs are to plan, conduct, and report on their work. A compliance statement that cites adherence to specific professional standards also provides users of that work—such as Congress and the public—an understanding of the process by which the work was conducted and an assurance that the work is independent, objective, and reliable. Standards vary in the level to which their guidance is prescriptive or flexible. In general, GAGAS is

more prescriptive and CIGIE standards for inspection and evaluation are more flexible.

**Identifying Appropriate Professional Standards in DHS OIG Reports**

DHS OIG has not included a compliance statement in all of its reports to identify appropriate professional standards to which its work adhered. Our analysis of reports DHS OIG published in fiscal years 2018 through 2020 indicates that some DHS OIG reports did not cite professional standards or cited authorities under which the OIG completed work rather than including a compliance statement that identifies the appropriate professional standards used in conducting the work. In total, we identified 33 reports issued in fiscal years 2018 through 2020 that did not include a compliance statement citing appropriate professional standards or did not describe how the work adhered to such standards, as shown in table 4.

**Table 4: Professional Standards Cited in Reports Completed by Department of Homeland Security (DHS) Office of Inspector General (OIG) Program Offices in Fiscal Years 2018–2020**

**Office of Audits**

Standard cited	Number of reports (by fiscal year)		
	2018	2019	2020
<i>Government Auditing Standards</i>	42	26	33
<i>Government Auditing Standards</i> with exceptions <sup>a</sup>	0	3	6
<i>Quality Standards for Inspection and Evaluation</i>	5	4	9
None or Inspector General Act <sup>b</sup>	11	6	4
<b>Total</b>	<b>58</b>	<b>39</b>	<b>52</b>

**Office of Special Reviews and Evaluations**

Standard cited	Number of reports (by fiscal year)		
	2018	2019	2020
<i>Quality Standards for Inspection and Evaluation</i>	11	8	7
<i>Quality Standards for Federal Offices of Inspectors General</i> <sup>c</sup>	2	1	2
<i>Quality Standards for Federal Offices of Inspector General</i> and Special Reviews Group's quality control standards <sup>c, d</sup>	1	0	3
None or Inspector General Act <sup>b</sup>	4	3	0
<b>Total</b>	<b>18</b>	<b>12</b>	<b>12</b>

Source: GAO analysis of DHS OIG published reports. | GAO-21-316

Note: We excluded classified work and work completed by contractors from this analysis. DHS OIG's public summaries of classified reports generally include limited detail about the professional

standards under which teams conducted the work. DHS OIG obtains some audit services by contracting with independent public accountants or other qualified companies that provide independent auditing or other technical services. The contract auditor, not DHS OIG staff, cites adherence to relevant professional standards in contracted work. DHS OIG retracted 13 audit reports completed in fiscal years 2013 through 2017 because they may not have adhered to auditing standards. As a result, our analysis examines reports completed after fiscal year 2017 and through fiscal year 2020, the most recent full fiscal year of completed reports at the time of our analysis.

<sup>3</sup>According to *Government Auditing Standards*, there are situations when engagements are sometimes conducted without full application of the professional standards. In such situations, a modified compliance statement must be included in the audit report, which should disclose the applicable requirements not followed, the reasons for not following the requirements, and how not following the requirements affected or could have affected the engagement and the assurance provided. GAO, *Government Auditing Standards 2018 Revision*, [GAO-18-568G](#) (Washington, D.C.: July 17, 2018).

<sup>4</sup>Pub. L. No. 95-452, 92 Stat. 1101. A 2020 internal review of Office of Audits' citation of standards combined reports citing the Inspector General Act and reports citing no standards into a category labeled "no standards / Inspector General Act." A different internal review of Office of Audits' fiscal year 2018 work recommended that the Office of Audits stop citing the Inspector General Act as the standard under which DHS OIG completed work because it is a legal authority and not a professional standard for how to conduct work. As a result, we determined that it was appropriate to report on work citing the Inspector General Act as not citing standards.

<sup>5</sup>These standards guide the operations and management of federal OIGs and state that OIGs shall conduct their work in compliance with applicable professional standards.

<sup>6</sup>According to DHS OIG documentation, the Special Review Group's quality control standards require teams to carry out work with integrity, objectivity, and independence and provide information that is factually accurate and reliable.

Regarding the Office of Audits, our analysis identified that 21 of 149 reports the office issued in fiscal years 2018 through 2020 (about 14 percent) did not cite appropriate professional standards. Some reports cited the Inspector General Act and others cited no standards. A DHS OIG internal review of Office of Audits' fiscal year 2018 work recommended that the Office of Audits stop citing the Inspector General Act because it is a legal authority to conduct work, not a professional standard that describes how work is to be planned, completed, and reported.<sup>91</sup> However, in fiscal year 2020, the Office of Audits continued issuing work citing the Inspector General Act despite this being deemed inappropriate by its own internal review.

Further, regarding the Office of Special Reviews and Evaluations, our analysis identified that 12 of 42 reports the office issued in fiscal years 2018 through 2020 (about 29 percent) did not cite appropriate professional standards. Seven reports did not include a compliance statement identifying standards to which the work was conducted. Five

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<sup>91</sup>Specifically, some reports cited Section 2(2) of the Inspector General Act, which states that "In order to create independent and objective units (Inspectors General are) to provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in, such programs and operations". Pub. L. 95-452, §2(2), 92 Stat. 1101.

additional reports cited quality standards for OIGs in a compliance statement but did not include any information about specific OIG policies or guidance under which work was planned and completed. CIGIE officials told us that including information about such policies or guidance for planning and completing the work would be necessary for reports citing CIGIE quality standards for OIGs because those standards guide the operations and management of OIGs and, further, say that OIGs shall conduct their work in compliance with applicable professional standards.<sup>92</sup> An OIG official told us that this work was generally completed according to DHS OIG policy, as documented in the program office manual, and that it may have been an oversight that the reports did not include a citation to the policy.

CIGIE officials told us that OIGs have discretion in identifying and applying appropriate professional standards in their work but should be clear in their work about the standards or internal policies to which the work adhered. In addition, CIGIE's *2020 Agile Products Toolkit* recommends that all products include a standards compliance policy statement indicating (1) the standards under which the report was issued and (2) that the work adhered to the professional standards of independence, due professional care, and quality assurance and followed procedures to ensure accuracy of the information presented.<sup>93</sup>

Although the *Agile Products Toolkit* was published in 2020, the standards it articulates are not new. CIGIE quality standards for OIGs, published in 2012, state that OIG staff are to conduct their work with independence, competence, and diligence, including by observing applicable professional standards. Further CIGIE quality standards for OIGs state that all OIG products should conform to established policies and procedures, be objective, and be adequately supported. As such, the *Agile Products Toolkit* affirmed existing standards and provided additional guidance to help OIGs operationalize those standards, including that

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<sup>92</sup>The compliance statement in four Office of Special Reviews and Evaluations reports stated that work was completed according to DHS OIG Special Reviews Group's quality control standards, in addition to CIGIE quality standards for OIGs. This aligns with CIGIE's expectation of an appropriate application of quality standards for OIGs because the compliance statement cites internal policies that are to ensure adherence to independence, due professional care, quality assurance, and accuracy.

<sup>93</sup>CIGIE defines due professional care as acting with integrity, exercising objectivity, and maintaining professional skepticism as well as ensuring that team members collectively possess the knowledge, skills, and abilities to gather information and objectively evaluate the sufficiency and appropriateness of evidence.

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OIGs should include a standards policy statement when reporting on their work.

However, DHS OIG does not have a consistent process for citing adherence to professional standards in its reports, especially for work that is not conducted in accordance with GAGAS (i.e., non-GAGAS work). Program offices have established their own practices with regard to compliance statements identifying professional standards in reports:

- Regarding the Office of Audits, in December 2020, an IQO internal quality assurance review found that the Office of Audits should strengthen its policies and procedures for non-GAGAS work, and made four recommendations regarding this work, which the internal review closed as implemented. Specifically, during the course of IQO’s review, the Office of Audits created a job aid on non-GAGAS reporting and trained its staff on that job aid. However, the quality assurance review and the Office of Audits’ letter responding to the review indicate that there are circumstances in which the Office of Audits intends to continue to (1) do work that does not use standards and (2) issue reports without compliance statements about the standards to which the work adhered. Neither of these practices aligns with CIGIE’s description of how federal OIGs are to adhere to professional standards or ensures that reports will include compliance statements about such adherence in their work.
- Regarding the Office of Special Reviews and Evaluations, the office’s April 2020 manual states that the office’s reports should state the authority or standards under which the work was conducted. Most reports this office issued in fiscal year 2020 included a statement citing such a standard. However, the office issued two reports in fiscal year 2020—an “inspection” and a “review”—that cited adherence to quality standards for OIGs without additional language about how the work was conducted to adhere to professional standards, as CIGIE’s *Agile Products Toolkit* recommends.<sup>94</sup> In December 2020, the newly-hired Assistant Inspector General for Special Reviews and Evaluations told us that he plans for all future work initiated by the office to adhere to CIGIE inspection and evaluation standards and that reports on work completed under these standards will continue to include a standards statement citing them. Officials told us that the

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<sup>94</sup>DHS OIG, *Early Experiences with COVID-19 at CBP Border Stations and OFO Ports of Entry*, OIG-20-69 (Washington, D.C.: Sep. 4, 2020) and DHS OIG, *DHS’ Process for Responding to FOIA and Congressional Requests*, OIG-20-56 (Washington, D.C.: July 23, 2020).

Office of Special Reviews and Evaluations' manual was updated in April 2021 and formalized this plan. However, officials also told us that there are three legacy projects in progress that will be issued under standards other than CIGIE inspection and evaluation standards because, when these projects began, the team did not plan the work to adhere to CIGIE inspection and evaluation standards.

Because (1) DHS OIG does not have a process to ensure it includes a standards compliance statement for all of its program office work and (2) there is not coordination or agreement across program offices about how DHS OIG should report about its adherence to standards for work that does not adhere to GAGAS or to CIGIE inspection and evaluation standards, the audience for DHS OIG reports—including Congress, DHS, and the public—may not be able to tell the difference between work that does and does not adhere to appropriate professional standards. This may lead to a lack of confidence in DHS OIG's work overall, including in audit, inspection, and evaluation work that does adhere to GAGAS or CIGIE inspection and evaluation standards.

### Aligning Work to Professional Standards

The Office of Audits and Office of Special Reviews and Evaluations have aligned most of their work with professional standards and provided guidance to their staff about DHS OIG policies and procedures for completing such work. However, while DHS OIG has internal and external guidance for some work, such as GAGAS audits, there are gaps in guidance—or how that guidance is implemented—for other types of work. As a result, DHS OIG lacks assurance that all of its work is aligned to appropriate professional standards, as CIGIE quality standards for OIGs require.

### **GAGAS**

There is internal and external guidance for teams conducting GAGAS audits, and DHS OIG's adherence to GAGAS is regularly independently evaluated.<sup>95</sup> According to DHS OIG officials, the Office of Audits is the

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<sup>95</sup>We discuss the results of IQO's quality assurance reviews and independent external peer reviews of DHS OIG's GAGAS audit work later in this report. We did not evaluate DHS OIG's GAGAS audit work for adherence to GAGAS because external peer reviewers reviewed DHS OIG's audit work concurrent with our review.

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only office that conducts GAGAS audit work.<sup>96</sup> Office of Audits teams conducting GAGAS audits are to follow guidance including GAGAS and the Office of Audits' 2019 Audit Manual. In addition, the Office of Audits developed job aids covering topics such as audit planning and team competency to help Office of Audits teams apply GAGAS when conducting GAGAS audit work.

### **CIGIE Inspection and Evaluation Standards**

There is internal and external guidance for teams conducting inspections and evaluations adhering to CIGIE inspection and evaluation standards.<sup>97</sup> Within DHS OIG, both the Office of Special Reviews and Evaluations and the Office of Audits regularly conduct inspection and evaluation work. We found that, in fiscal years 2018 through 2020, the Office of Audits issued 18 reports and the Office of Special Reviews and Evaluations issued 26 reports citing CIGIE's inspection and evaluation standards. In fiscal year 2020, these offices took steps to improve how they coordinate about inspection and evaluation work.

Both the Office of Special Reviews and Evaluations' and the Office of Audits' manuals state that teams conducting inspections and evaluations should follow CIGIE inspection and evaluation standards. However, the Office of Special Reviews and Evaluations' manual also describes, specifically, how teams are to plan, conduct, and report on their inspection and evaluation work, consistent with CIGIE inspection and evaluation standards.<sup>98</sup> Until late 2020, only Office of Special Reviews and Evaluations teams used this manual. Thus, although there were two program offices conducting inspections and evaluations and those offices were following the same external standards, the internal guidance those offices used to conduct inspection and evaluation work varied. In addition, in a January 2020 memorandum responding to questions about their use

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<sup>96</sup>CIGIE quality standards for OIGs provide for circumstances in which a federal OIG might determine that GAGAS is the appropriate professional standard for certain inspections or evaluations; however, officials told us that DHS OIG's inspections and evaluations do not adhere to GAGAS.

<sup>97</sup>We discuss the results of IQO's quality assurance reviews and independent external peer reviews later in this report. We did not evaluate DHS OIG's inspection and evaluation work for adherence to CIGIE inspection and evaluation standards because external peer reviewers reviewed DHS OIG's inspection and evaluation work concurrent with our review.

<sup>98</sup>Prior versions of this manual, which also incorporate CIGIE inspection and evaluation standards, date to 2016 and 2018. The November 2019 Office of Audits manual does not cite or refer auditors conducting inspection, evaluation, or special reviews work to the Office of Special Reviews and Evaluations or its program office manual.

of standards, Office of Audits officials said they did not train their staff on CIGIE inspection and evaluation standards, nor did they coordinate with the Office of Special Reviews and Evaluations to provide such training. Office of Audits officials told us that, because CIGIE inspection and evaluation standards are less prescriptive than GAGAS, staff trained in audits can generally apply inspection and evaluation standards without additional training.

However, our analysis indicates that Office of Audits teams have faced challenges in understanding the differences between GAGAS and CIGIE inspection and evaluation standards and applying those differences in their work. As previously discussed, standards vary in the level to which their guidance is prescriptive or flexible. In general, GAGAS is more prescriptive, whereas CIGIE standards for inspection and evaluation are more flexible. As such, GAGAS includes requirements that auditors are to follow, and CIGIE standards for inspection and evaluation provide guideposts to help inspectors make decisions. It is important, therefore, that Office of Audits staff understand, while planning and subsequently conducting a project, whether their work is to adhere to the requirements of GAGAS or if they have the flexibilities of CIGIE's inspection and evaluation standards available.

An internal review developed by IQO stated that individuals in multiple program offices cited concerns about staff knowledge about differences between GAGAS and CIGIE inspection and evaluation standards.<sup>99</sup> Further, we identified reports the Office of Audits issued in recent years that suggest a lack of clarity in how some teams apply these standards. Specifically, we identified two Office of Audits reports in which teams planned to do a GAGAS audit but determined that the work they ultimately completed complied with the less prescriptive CIGIE inspection and evaluation standards.<sup>100</sup> We identified an additional two Office of Audits reports in which teams described the work they conducted as an "audit," but the reports' compliance statements cited adherence to CIGIE

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<sup>99</sup>DHS OIG, *Fiscal Year 2019 Enterprise Profile*.

<sup>100</sup>DHS OIG, *DHS Confirmed It Has Applied Lessons Learned in the Latest Financial System Modernization Effort*, OIG-20-09 (Washington, D.C.: Dec. 19, 2019). DHS OIG, *Sandy Recovery Act Review*, OIG-18-66 (Washington, D.C.: June 1, 2018). DHS OIG officials told us that the Office of Audits leaders who supervised this work decided to issue these reports citing CIGIE inspection and evaluation standards because, in their opinion, the teams had not adhered to GAGAS as originally expected.

inspection and evaluation standards.<sup>101</sup> CIGIE quality standards for federal OIGs does not contemplate a scenario in which an OIG might conduct an audit to CIGIE inspection and evaluation standards. Officials we spoke with in the Office of Audits' Quality Management and Training Branch told us that sometimes Office of Audits teams approach the Quality Management and Training staff for advice because the teams do not know whether the work they have underway complies with GAGAS or CIGIE inspection and evaluation standards.

The Office of Audits has taken steps to coordinate with the Office of Special Reviews and Evaluations and bring more consistency to how Office of Audits teams conduct inspection and evaluation work. In late 2020, in response to an ongoing IQO quality assurance review of Office of Audits' policies and procedures for non-GAGAS work, the Office of Audits issued guidance and trained their staff on inspection and evaluation standards. Specifically, the Office of Audits issued a job aid for non-GAGAS reporting, which directed staff conducting inspections and evaluations to the Office of Special Reviews and Evaluations' manual—in addition to CIGIE standards for inspection and evaluation—for guidance on conducting inspections and evaluations. This job aid is a positive step in aligning processes for inspection and evaluation work across DHS OIG. In October 2020, a staff member from the Office of Special Reviews and Evaluations provided training to Office of Audits staff in CIGIE inspection and evaluation standards.<sup>102</sup>

Providing such guidance and training is a positive step in helping to ensure (1) alignment in how program offices plan, conduct, and report on inspection and evaluation work; and (2) that staff conducting inspection and evaluation work have the professional competence to perform the work, which includes knowledge of CIGIE standards for inspection and evaluation.

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<sup>101</sup>DHS OIG, *DHS' and TSA's Compliance with Public Law 114-278, Transportation Security Card Program Assessment*, OIG-19-16 (Washington, D.C.: Dec. 14, 2018). DHS OIG, *Review of CBP Information Technology System Outage of January 2, 2017*, OIG-18-19 (Washington, D.C.: Nov. 21, 2017). For example, OIG-18-19 was issued in November 2017 citing GAGAS as the standards under which the audit was completed. In May 2019, about 18 months later, DHS OIG reissued the report and noted that the work conducted for the report adhered to CIGIE inspection and evaluation standards, not GAGAS.

<sup>102</sup>DHS OIG officials told us that this staff member is an expert in CIGIE inspection and evaluation standards.

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### Other Appropriate Professional Standards

DHS OIG has internal guidance for some, but not all, types of work that does not adhere to GAGAS or CIGIE inspection and evaluation standards. Specifically, DHS OIG does not have guidance governing how some work conducted outside GAGAS or CIGIE inspection and evaluation standards should adhere to the professional standards of independence, due professional care, accuracy, and quality assurance.

In recent years, DHS OIG's reports conducted outside GAGAS or CIGIE inspection and evaluation standards have included: special reviews, management alerts, verification reviews, other reviews, and lessons learned reports, among others. DHS OIG has guidance that describes how teams are to conduct some of these types of work, such as management alerts and special reviews. However, this guidance varies in the extent to which it describes how OIG teams are to ensure that they adhere to the professional standards of independence, due professional care, and quality assurance when conducting their work. Further, officials told us that DHS OIG does not have detailed guidance for how teams are to conduct some other types of work, including verification reviews and lessons learned reports.

Regarding management alerts, in fiscal years 2018 through 2020, DHS OIG issued 17 management alerts.<sup>103</sup> In June 2019, the Acting Inspector General issued a management alert policy to provide uniform guidance to DHS OIG employees regarding the format and requirements for a management alert.<sup>104</sup> While this policy describes the purpose of and procedures for initiating and issuing management alerts, it does not include guidance to help teams issuing management alerts ensure that their work adheres to appropriate professional standards. Specifically, the policy says that most management alerts will be issued under the Inspector General Act which, as previously stated, an Office of Audits May 2019 internal review recommended that the office no longer use as a

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<sup>103</sup>Both the Office of Audits and the Office of Special Reviews and Evaluations issued management alerts during this period.

<sup>104</sup>According to the policy, management alerts are short reports intended to communicate information about urgent conditions or issues, such as those that may pose a serious, imminent threat to safety, health, property, or continuity of operations. There was no management alert policy before June 2019.

standards statement because it is an authority, not a standard.<sup>105</sup> In addition, the policy provides program office leaders with significant discretion to determine the type of quality assurance, legal sufficiency, and editorial reviews necessary to ensure accuracy and reliability for a particular management alert.

Regarding other guidance, the Office of Audits' November 2019 audit manual includes some guidance for Office of Audits staff conducting non-GAGAS work.<sup>106</sup> However, unlike external standards, such as GAGAS, the audit manual does not clearly identify the planning, procedural, or other steps that Office of Audits teams conducting non-GAGAS work are to take to plan and complete this work or which DHS OIG internal policies, for example, apply to such non-GAGAS work. In contrast, GAGAS and CIGIE inspection and evaluation standards provide guidance for planning projects and other steps that guide how project teams are to conduct and report on their work. In the cases where such standards or policies are in place for specific types of non-GAGAS work, such as DHS OIG's management alert policy and CIGIE inspection and evaluation standards, the audit manual cites those standards or policies. However, the manual does not cite standards or policies for other non-GAGAS work, such as verification reviews or lessons learned reports. As a result, teams conducting such work may not know the standards or internal policies they are to adhere to in planning and conducting their work.

The Office of Audits' job aid for non-GAGAS work identifies the authority and reporting standards for, among other things, certain other types of non-GAGAS work, including management alerts, verification reviews, capping or summary of key findings reports, and lessons learned reports. In addition, in October 2020, the Office of Audits said it would continue to review a selection of non-GAGAS work while that work is in progress, to assess the extent to which such work complies with the non-GAGAS reporting job aid, and to take corrective action as needed. Reviewing such work for adherence to the non-GAGAS job aid while the work is in progress is a positive step. However, because these reviews look at a selection of Office of Audits work, they do not replace internal guidance

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<sup>105</sup>Pub. L. No. 95-452, §2(2), 92 Stat. 1101.

<sup>106</sup>The manual identifies the following as potential non-GAGAS work auditors might conduct: inspection, evaluation, special review, fact-finding, and verification review. We identified other examples of non-GAGAS work the Office of Audits has issued in recent years, including management alerts and lessons learned reports.

about how such work is to be planned and conducted to adhere to professional standards.

The job aid's information about standards, authority, and report type for various non-GAGAS reports is a positive step toward improving consistency in the Office of Audits' processes for reporting on such work. However, the job aid does not include guidance about how teams conducting non-GAGAS work are, specifically, to ensure adherence to CIGIE's professional standards of independence, due professional care, and quality assurance, including ensuring accuracy of the information presented in such non-GAGAS reports. Office of Audits officials told us that the audit manual and the non-GAGAS reporting guidance job aid include such guidance for non-GAGAS work. However, neither document addresses how teams planning and conducting such work are to ensure that they adhere to professional standards. Further, the job aid does not apply to work conducted by the Office of Special Reviews and Evaluations.

Because DHS OIG has not developed or implemented internal guidance to establish how work conducted outside GAGAS or CIGIE inspection and evaluation standards is to be planned and completed in adherence to professional standards, DHS OIG lacks reasonable assurance that such work adheres to professional standards. Guidance for such work could also help to ensure its efficient completion because, with such guidance, staff would be better positioned to ensure their work adhered to quality expectations for critical steps, such as planning, rather than identifying problems in such steps once they have occurred. In addition, guidance for this non-GAGAS, non-inspection and evaluation work is particularly important because such work is generally not included in CIGIE external peer reviews of DHS OIG work, as discussed later in this report. In May 2021, in response to a draft of this report, DHS OIG officials told us that the Office of Audits plans to modify an existing job aid to address how it will ensure that non-GAGAS work is performed in accordance with professional standards. The officials further stated that the Office of Special Reviews and Evaluations updated its manual in April 2021 and will only initiate work that adheres to CIGIE inspection and evaluation standards in the future.

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## DHS OIG Does Not Have an Overarching Program for Internal Quality Assurance

DHS OIG does not have an overarching program for internal quality assurance for audit, inspection, evaluation, and other work completed by the Office of Audits and the Office of Special Reviews and Evaluations.<sup>107</sup> From 2017 through 2020, quality assurance reviews of DHS OIG's audit work have identified systemic and repetitive issues, although there are recent indications of improvement. Specifically, the Office of Audits has issued guidance, such as an updated manual and job aids, and offered training in audit planning and writing, among other areas, to support staff development and better align staff skills with GAGAS. However, officials told us that staff are still developing the skills necessary for the office to consistently produce high quality audit work. Inspections, evaluations, and other work that is not conducted in accordance with GAGAS have generally not been included in DHS OIG's internal quality assurance reviews.

### Organization-wide Quality Assurance Program

IQO's role in DHS OIG quality assurance has not been clearly defined, and the office has been under-resourced for years. CIGIE quality standards for OIGs state that each OIG shall establish and maintain a quality assurance program to ensure that work performed adheres to established OIG policies and procedures; meets established standards of performance, including applicable professional standards; and is carried out economically, efficiently, and effectively. In 2013, DHS OIG established IQO to manage quality assurance of the organization's work, among other things.<sup>108</sup> Since then, neither DHS OIG nor IQO have developed and implemented an organization-wide quality assurance program. IQO officials told us that it is their understanding that IQO is to lead quality assurance efforts for DHS OIG, including ensuring that the OIG's structure supports alignment with professional standards and that quality assurance elements, such as training, supervision, and risk assessment are in place. However, according to IQO officials and DHS

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<sup>107</sup>CIGIE quality standards for OIGs states that a quality assurance program has an internal component, which is to be implemented to ensure an objective, timely, and comprehensive appraisal of OIG operations and an external component, such as a peer review.

<sup>108</sup>In addition to quality assurance activities, IQO also manages DHS OIG's risk analysis, policy development and review, strategic planning, and engagement planning processes.

OIG documents we reviewed, IQO does not have the resources or authority to effectively ensure quality assurance in all DHS OIG work.

IQO has taken steps to formally develop an OIG-wide quality assurance program; however, senior leaders have not taken action to implement such a program. In the fall of 2019, IQO wrote a draft directive to establish policies and procedures for maintaining an overarching quality assurance program and shared that draft directive with DHS OIG leadership. However, as of December 2020, IQO officials told us that leadership had not implemented that directive. As a result, there is currently no organization-wide quality assurance program in place. DHS OIG senior leaders told us that they have prioritized issues other than implementing a quality assurance program.

OIG officials in IQO and program offices told us that, in the absence of an organization-wide policy defining IQO's role in DHS OIG quality assurance, IQO's role in establishing quality assurance processes and policies for the organization is not well-understood or accepted across DHS OIG as a whole. For example, according to some Office of Audits and IQO officials, responsibility for quality assurance activities between the Office of Audits' Quality Management and Training Branch and IQO is not well-delineated and the two offices do not have a good understanding of or agreement about one another's roles and responsibilities with regard to ensuring quality in DHS OIG's audit work. Specifically, Office of Audits officials told us that, from their perspective, IQO's role in the quality assurance process is not clear. Office of Audits officials said that IQO's role and the work it does has changed over the years and depending on the personnel in the office. IQO officials disagreed with this perspective and said that IQO's work has led to significant revisions to Office of Audits' policies, procedures, and practices. IQO officials also told us that there is significant, regular communication between the groups. However, regular communication does not ensure that responsibilities are clear.

Regarding the relationship between the two offices, an IQO official told us that the quality control and training functions in the Office of Audits' Quality Management and Training Branch are functions that also exist in other places within DHS OIG and that, because the purpose of these functions is not clear or documented, they could change with a leadership change in the Office of Audits.<sup>109</sup> Office of Audits and IQO officials told us

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<sup>109</sup>As of January 2021, the Office of Audits is led by an acting Assistant Inspector General. The prior Assistant Inspector General for Audits retired in December 2020.

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that they have not worked together to determine how the results of IQO's internal quality assurance assessments should inform the Office of Audits' in-process quality reviews, or vice versa.

Because DHS OIG has not developed and implemented an organization-wide quality assurance program, as CIGIE quality standards for OIGs require, or defined the structure, responsibility, and authority for such a program, DHS OIG senior leaders do not have the assurance that its work meets appropriate standards. Specifically, those assurances include that work performed (1) adheres to established OIG policies and procedures; (2) meets established standards of performance, including applicable professional standards; and (3) is carried out economically, efficiently, and effectively.

#### Quality Assurance for Audits

Internal and external reviews have raised concerns about quality assurance in some of DHS OIG's GAGAS audit work. In fiscal years 2019 and 2020, the Office of Audits took some steps, such as providing guidance and training, to support staff development and better align staffs skills with GAGAS. In March 2021, DHS OIG's Office of Audits received a peer review rating of "pass" for its fiscal year 2020 work.<sup>110</sup>

Between fiscal years 2013 and 2017, DHS OIG issued 13 audit reports that it subsequently retracted because they "were not compliant with applicable standards."<sup>111</sup> The DHS OIG Office of Audits letters retracting these reports stated that they "may not have adequately answered objectives and, in some cases, may have lacked sufficient and appropriate evidence to support conclusions," which GAGAS requires. A subsequent 2018 peer review of DHS OIG's audit work gave the office a

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<sup>110</sup>This peer review examined four reports completed by Office of Audits staff and one report completed by a contract auditor. Three of the four reports completed by Office of Audits staff cited GAGAS and the fourth cited GAGAS with exceptions.

<sup>111</sup>These reports were issued by the Office of Emergency Management and Oversight before its integration into the Office of Audits. In 2017, DHS OIG determined that 1 report did not comply with GAGAS and retracted that report. It subsequently retracted 12 additional reports in 2018 due to similar concerns.

rating of “pass with deficiency” based on the same issue.<sup>112</sup> The audit peer review made four recommendations regarding DHS OIG’s audit work, including that: (1) DHS OIG identify the root cause for departures from audit standards in certain work; (2) DHS OIG update its policies and procedures to address the deficiencies; (3) DHS OIG verify that changes in the system of quality control resolved the deficiencies; and (4) DHS OIG schedule an off-cycle peer review to verify that the changes provide reasonable assurance that DHS OIG’s work is adhering to audit standards. DHS OIG concurred with all of the recommendations and subsequently closed them, but we found that some were not fully implemented, as described below:<sup>113</sup>

- In response to the first recommendation, DHS OIG conducted an internal review of the circumstances that led to these reports, issued a public report with its findings, and made recommendations for corrective action, which officials told us the Office of Audits implemented.<sup>114</sup>
- In response to the second and third recommendations, DHS OIG said that it updated its policies and procedures by updating the audit manual, in November 2019. In addition, the Office of Audits established the Quality Management and Training Branch to provide additional quality oversight of audit work and perform in-process quality reviews of audit work to evaluate the effectiveness of the Office of Audits’ corrective actions, among other duties.<sup>115</sup>

However, audit officials in this division told us that the Quality Management and Training Branch stopped doing in-process quality

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<sup>112</sup>CIGIE administers the audit peer review program to support federal OIGs in their compliance with professional standards and statutory requirements. According to CIGIE, a peer review is a structured process by which experienced professionals review each other’s work against stated standards.

<sup>113</sup>According to DHS OIG’s semiannual reports to Congress, DHS OIG closed all of the 2018 audit peer review’s recommendations, as of September 2020. DHS OIG, *Semiannual Report to the Congress: October 1, 2019-March 31, 2020* (Washington, D.C.: 2020) and DHS OIG, *Semiannual Report to the Congress: April 1, 2020-September 30, 2020* (Washington, D.C.: 2020).

<sup>114</sup>Department of Homeland Security Office of Inspector General, *Special Report: Review Regarding DHS OIG’s Retraction of Thirteen Reports Evaluating FEMA’s Initial Response to Disasters*, OIG-19-41 (Washington, D.C.: May 23, 2019).

<sup>115</sup>According to Office of Audits documentation, an in-process quality review is an assessment of an ongoing project’s documentation to determine whether the project team is conducting the project consistent with relevant professional standards and DHS OIG procedures. This allows the team to take corrective action, if needed, prior to publication.

reviews to focus on other priorities—including completion of the audit manual and related job aids—for approximately 9 months in fiscal year 2020. Eight in-process quality reviews were affected by this reprioritization; four reviews that were underway as of October 2019 were not completed until the summer of 2020. As a result, in 2020, audit teams issued draft and final reports that did not incorporate the in-process quality reviewers' findings. As of January 2021, Office of Audits officials told us that they continue to conduct in-process quality reviews and that such reviews are a priority for their office.

- In response to the fourth recommendation, in the spring of 2020, DHS OIG said that the integration of various DHS OIG offices into one Office of Audits, among other reasons, delayed corrective actions in response to the peer review and said that such corrective actions were ongoing. Because DHS OIG's next audit peer review was to begin in September 2020, DHS OIG did not schedule an off-cycle peer review as recommended.<sup>116</sup>

According to IQO officials, the Office of Audits is steadily making improvements to its organization and operations, although issues remain. Specifically, IQO's annual summary of its fiscal year 2019 quality assurance reviews of DHS OIG's GAGAS audit work, issued in January 2020, identified what IQO described as "systemic and repetitive" challenges.<sup>117</sup> These included challenges related to documentation of: audit planning, evidence collection, risk assessment, and verification of facts in audit reports. The summary states that IQO identified similar issues with documentation of audit planning and evidence collection in quality assurance reviews of GAGAS audit work in fiscal years 2017 and 2018. The fiscal year 2019 summary report further states that the Office of Audits has taken important steps to address these systemic and repetitive challenges, including training staff and reissuing the audit manual, and continues to have work to do to develop and standardize its policies, processes, and practices.

Office of Audits officials told us that the office has taken steps to improve the quality of its GAGAS audit work. All five of the Office of Audits senior leaders we spoke with said the program office has taken steps, such as

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<sup>116</sup>In March 2021, DHS OIG's Office of Audits received a peer review rating of "pass" for its fiscal year 2020 work.

<sup>117</sup>According to IQO, quality assurance reviews are generally internal reviews of completed DHS OIG work and are to monitor quality and assess compliance with applicable professional standards and DHS OIG policies and procedures.

offering training in audit planning and writing, to support staff development and better align staffs skills with GAGAS. However, three of the five senior leaders we spoke with said that the Office of Audits and its staff are in the early stages of developing the skills necessary for the office to consistently produce high quality audit work. In addition, two senior leaders said that some staff or leaders do not see the value or need for such additional training. Officials told us that the Office of Audits' November 2019 manual and 2020 job aids are a positive step but that the office needs to do more to train staff to ensure that the new materials are used correctly.

### Quality Assurance for Work Other than Audits

Inspections, evaluations, and other work that is not conducted under GAGAS have generally not been included in DHS OIG's internal quality assurance reviews. Our analysis of quality assurance reviews IQO completed from fiscal year 2015 through fiscal year 2020 found that IQO did not review any published inspections, evaluations or other non-GAGAS work for adherence to quality standards in those years.<sup>118</sup> IQO officials told us they have not focused on quality assurance reviews of inspections and evaluations because of resource constraints and because DHS OIG produces substantially more audits compared to inspections and evaluations. Our analysis of standards cited in DHS OIG work found that, in fiscal years 2018 through 2020, program offices issued 44 reports citing adherence to inspection and evaluation standards; 37 reports citing adherence to other, or no, standards; and 110 reports citing adherence to GAGAS.<sup>119</sup> In other words, reports citing adherence to standards other than GAGAS represented about 42 percent of all reports.

In addition, in recent years DHS OIG temporarily or permanently retracted two special reviews. Explanations about the circumstances of those

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<sup>118</sup>In fiscal year 2021, IQO completed a review of the Office of Audits' policies and procedures for non-GAGAS work and found that the Office of Audits should strengthen these policies and procedures.

<sup>119</sup>We excluded classified work and work completed by contractors from this analysis. DHS OIG's public summaries of classified reports generally include limited detail about the professional standards under which teams conducted the work. DHS OIG obtains some audit services by contracting with independent public accountants or other qualified companies that provide independent auditing or other technical services. The contract auditor, not DHS OIG staff, cites adherence to relevant professional standards in contracted work.

retractions vary, and there is no common understanding across DHS OIG staff and leadership about the process by which DHS OIG decided to retract the reports or the reason for the retractions, which limits DHS OIG's ability to prevent similar issues in the future. Specifically:

- In October 2020, DHS OIG retracted a January 2018 special review because, as stated in the letter describing the retraction, "it did not comply with standards."<sup>120</sup> According to officials in the Office of Counsel, the Inspector General retracted the special review because: (1) the review applied a superseded agency personnel policy as the criteria for evaluating the agency's actions, (2) the writing seemed biased and not even-handed, (3) DHS OIG did not allow the subject of the review an opportunity to review and comment on the draft report, and (4) facts in the report were incorrect. Senior officials we spoke with in the Office of Special Reviews and Evaluations, who maintain access to this special review's files and supporting documentation, told us they were not informed about this retraction, either before or after it happened.<sup>121</sup>
- In the fall of 2019, a special review was temporarily retracted because, in error, it published the name of a whistleblower. After it was initially published, the report was retracted, redacted to remove the whistleblower's name, republished, and then retracted again.<sup>122</sup> The redacted report was ultimately republished 6 months later.<sup>123</sup>

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<sup>120</sup>On October 5, 2020, the Inspector General retracted: Department of Homeland Security Office of Inspector General, *Special Review TSA's Handling of the 2015 Disciplinary Matter Involving TSES Employee [Redacted]*, OIG-18-35 (Washington, D.C.: Jan. 8, 2018).

<sup>121</sup>Officials told us that DHS OIG settled a legal claim related to this report and that it would have been inappropriate to discuss the deliberations leading up to that decision with the program office. However, these circumstances do not preclude leadership from informing the program office that the report was retracted.

<sup>122</sup>The Inspector General retracted this report following an internal disagreement about DHS OIG's authority and requirement to issue the report publicly under the Inspector General Act. 5a U.S.C. § 8M(b)(1)(A).

<sup>123</sup>The Office of Special Counsel referred the allegations this report investigated to DHS in August 2018. DHS OIG initiated a special review in response to the referral, which it provided to DHS in July 2019. In March 2020, the Office of Special Counsel wrote a letter to the President stating that the report met statutory requirements and that its findings were reasonable. *Investigation of Alleged Violations of Immigration Laws at the Tecate, California, Port of Entry by U.S. Customs and Border Protection Personnel (OSC File No. DI-18-5034)*; *OSC Final Letter to President*; *OSC Referral to DHS*. (Washington, D.C.: Mar. 23, 2020).

Regarding both of these retractions, DHS OIG senior leaders did not communicate to the leadership of the program offices responsible for the reports about the circumstances that led to the retractions or about corrective actions, if any, underway to address the causes of the retractions. There has been no quality assurance review of the circumstances surrounding either special review retraction to identify root causes of, or lessons learned from, such circumstances.

A recent external peer review found that DHS OIG's inspection and evaluation work generally met the seven selected inspection and evaluation standards addressed in the peer review.<sup>124</sup> External peer reviews are one part of a quality assurance program, but CIGIE quality standards for OIGs state that an OIG's quality assurance program is to have both an external and an internal component. Although IQO is nominally tasked with conducting quality assurance reviews of inspections, evaluations, and other work, IQO's quality assurance reviews have generally not included this work.

**Inspections and evaluations.** In 2018, IQO reviewed the Office of Inspections and Evaluations' general quality standards for inspections and evaluations and found them adequate. However, the scope of this review was limited to the Office of Inspections and Evaluations. Specifically, this review did not examine quality standards for inspection and evaluation work completed by other program offices, such as the Office of Audits.

Furthermore, subsequent reorganizations, leadership changes, and new guidance may have affected the internal quality standards for inspection and evaluation work.<sup>125</sup> Since the 2018 IQO review of inspection and

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<sup>124</sup>The peer review reviewed four reports published in 2019 and 2020 and citing adherence to CIGIE inspection and evaluation standards. DHS OIG officials said the peer reviewers examined two reports completed by the Office of Audits and two reports completed by the Office of Special Reviews and Evaluations. The peer review assessed DHS OIG's adherence to seven selected quality standards, as required by the CIGIE *Quality Standards for Inspection and Evaluation*. These include: quality control, planning, data collection and analysis, evidence, records maintenance, reporting and follow-up. As of 2020, CIGIE's peer reviews are not required to assess CIGIE's other inspection and evaluation quality standards, including: competency, independence, professional judgment, and timeliness, among other standards. The 2020 peer review of DHS OIG did not assess adherence to those other inspection and evaluation quality standards.

<sup>125</sup>As previously stated, in the fall of 2018, the legacy Office of Inspections and Evaluations and the Special Reviews Group were combined, along with the Whistleblower Protection Unit, to form the Office of Special Reviews and Evaluations.

evaluation quality standards, there has been a substantive reorganization of the office specializing in inspection and evaluation work—with four leaders overseeing that office from fiscal year 2019 through fiscal year 2020—and two revisions to manuals describing DHS OIG processes for inspection and evaluation work. Each of these changes could affect the quality standards for such work and are reasons—in addition to the importance of quality assurance more broadly as envisioned by the CIGIE quality standards for OIGs—to conduct regular quality assurance reviews of inspection and evaluation work that is managed by both the Office of Audits and the Office of Special Reviews and Evaluations.

**Special reviews, management alerts, and other work.**<sup>126</sup> IQO has generally not inspected or evaluated special reviews, management alerts, and other work through its internal quality assurance reviews. Further, this work is generally not reviewed through CIGIE’s external peer review process. DHS OIG guidance identifies special reviews, in particular, as work that may be time-sensitive, require a flexible approach, or require a unique methodology. As such, special reviews may pose a higher risk to DHS OIG than other types of work and the lack of focus in the existing internal quality assurance program on special reviews is of particular concern.

In July 2019, IQO reviewed the policies and procedures of the Special Reviews Group but did not assess the group’s performance against any professional standards or review the quality of their published work products; the report states that the review of the Special Reviews Group was to help lay a foundation for future quality reviews of Special Reviews Group work. However, the Special Reviews Group was disbanded before IQO completed any such quality assurance reviews of their work.<sup>127</sup>

According to the newly-hired Assistant Inspector General for Special Reviews and Evaluations, as of December 2020, all special reviews and other work the program office initiates in the future will adhere to CIGIE inspection and evaluation standards. There are ongoing special reviews, however, that the program office plans to complete and that may not adhere to CIGIE inspection and evaluation standards.

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<sup>126</sup>In this context, other work is defined as work that does not cite either GAGAS or CIGIE inspection and evaluation standards as the standards to which the work adhered.

<sup>127</sup>As of November 2020, DHS OIG disbanded the Special Reviews Group and reassigned the attorneys in the group to the Office of Counsel.

CIGIE quality standards for OIGs states that an internal quality assurance program must be structured and implemented to ensure a comprehensive appraisal of operations. Because IQO has generally focused its limited quality assurance review resources on GAGAS work and because DHS OIG does not have a process to ensure that its internal quality assurance reviews are comprehensive, there is a critical gap with respect to DHS OIG's non-GAGAS work, which has not been regularly assessed through the quality assurance review process. Therefore, DHS OIG's internal quality assurance program does not provide a comprehensive appraisal of DHS OIG operations, as CIGIE requires. Without such information, DHS OIG leaders cannot know if their non-GAGAS work adheres to OIG policies and procedures and meets established standards of performance.

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## DHS OIG Has Not Assessed the Timeliness of Its Work

DHS OIG does not have a comprehensive understanding of the time frames of Office of Audits and Office of Special Reviews and Evaluations work and does not require project teams to document project milestones in its data system, although the data system has the capacity to capture such information. In addition, DHS OIG leadership has not established time frame goals for report reviews or clearly articulated the roles and responsibilities of report reviewers. Without regularly assessing project timeliness to identify factors contributing to longer or shorter project time frames, tracking project milestones against goals in a shared organization-wide data system, and ensuring that report reviews are timely and effective, DHS OIG leadership does not have the information it needs to identify ways to improve the timeliness of its reports, which, according to CIGIE quality standards for OIGs, is a key element of effective oversight.

### Timeliness

We found the time it takes DHS OIG teams to complete reports has increased substantially over the past several fiscal years.<sup>128</sup> DHS OIG has

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<sup>128</sup>For the purposes of this analysis, the Office of Audits includes time frames for reports completed by the Office of Audits, the former Office of Information Technology Audits, and the former Office of Emergency Management and Oversight. The Office of Special Reviews and Evaluations includes time frames for reports completed by the former Office of Inspections and Evaluations and the former Special Reviews Group. Organizational changes affecting these offices during the period of our review are discussed earlier in this report.

not assessed time frames for its projects to compare actual time frames to goals or to better understand the factors contributing to increased project time frames. CIGIE quality standards for OIGs state that all OIG reports should be timely. Further, the Office of Audits and Office of Special Reviews and Evaluations' manuals both state that reporting should be timely. However, report timeliness is a recognized problem for DHS OIG. An internal review, which summarized the results of interviews with staff from across the organization, noted that staff expressed that report timeliness was a weakness for the organization.<sup>129</sup>

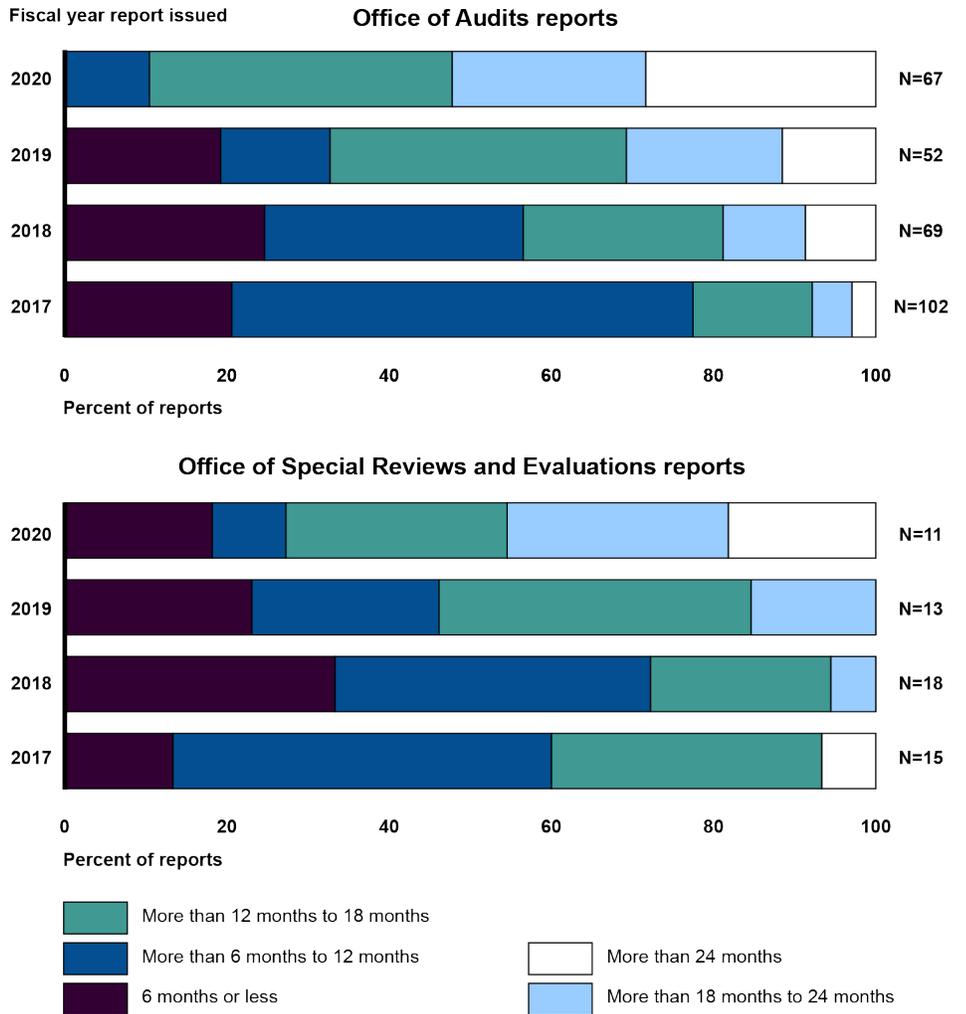
DHS OIG's project tracking system captures certain project milestones, such as the start dates of projects and dates reports are issued, and acts as DHS OIG's system of record for reviewing and distributing reports and other work products. Our analysis of Office of Audits and Office of Special Reviews and Evaluations project time frames using data from this system found that time frames for individual projects vary. However, the proportion of projects taking 18 to 24 months and more than 24 months generally increased from fiscal year 2017 to fiscal year 2020, as shown in figure 7.<sup>130</sup>

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<sup>129</sup>DHS OIG, *Fiscal Year 2019 Enterprise Profile*.

<sup>130</sup>These time frames correspond to reports published in the stated fiscal year. Reports published in fiscal year 2020, for example, may have been initiated in fiscal year 2020 or in any prior fiscal year. Office of Audits officials told us that the longer time frames are because the Office of Audits now conducts performance audits of the Federal Emergency Management Agency (FEMA), which take longer than the compliance audits of FEMA applicants that the office conducted in the past. As illustrated in figure 7, a small portion of Office of Audits reports took more than 18 months to complete in fiscal year 2017. In fiscal years 2019 and 2020, respectively, a larger portion of Office of Audits reports took more than 18 months to complete, although fewer reports were completed in those years compared to 2017.

**Figure 7: Time Frames for Department of Homeland Security (DHS) Office of Inspector General (OIG) Reports Issued in Fiscal Years 2017–2020**



Source: GAO analysis of DHS OIG project tracking data. | GAO-21-316

**Data tables for Figure 7: Time Frames for Department of Homeland Security (DHS) Office of Inspector General (OIG) Reports Issued in Fiscal Years 2017–2020**

**Office of audit reports**

Year	6 months or less	More than 6-12	More than 12-18	More than 18-24	More than 24+
2020	0	10.4478	37.3134	23.8806	28.3582
2019	19.2308	13.4615	36.5385	19.2308	11.5385
2018	24.6377	31.8841	24.6377	10.1449	8.69565
2017	20.5882	56.8627	14.7059	4.90196	2.94118

**Office of special reviews and evaluations report**

Year	6 months or less	More than 6-12	More than 12-18	More than 18-24	More than 24+
2020	18.1818	9.09091	27.2727	27.2727	18.1818
2019	23.0769	23.0769	38.4615	15.3846	0
2018	33.3333	38.8889	22.2222	5.55556	0
2017	13.3333	46.6667	33.3333	0	6.66667

Note: For the purposes of this analysis, the Office of Audits includes time frames for reports completed by the Office of Audits, the former Office of Information Technology Audits, and the former Office of Emergency Management Oversight. The Office of Special Reviews and Evaluations includes time frames for reports completed by the former Office of Inspections and Evaluations and the former Special Reviews Group. Organizational changes affecting these offices during the period of our review are discussed earlier in this report. These time frames correspond to reports published in the stated fiscal year. Reports published in fiscal year 2020, for example, may have been initiated in fiscal year 2020 or in any prior fiscal year.

As shown, 79 of 102 reports the Office of Audits completed in fiscal year 2017 (about 77 percent) took 1 year or less, and eight of 102 (about 8 percent) took more than 18 months. In fiscal year 2020, in contrast, seven of 67 Office of Audits reports (about 10 percent) took 1 year or less and 35 of 67 (about 52 percent) took more than 18 months. Time frames for Office of Special Reviews and Evaluations projects have increased similarly over time, although the office has fewer staff and completes many fewer projects each year. In fiscal years 2017 and 2018, the Office of Special Reviews and Evaluations issued 15 and 18 reports, respectively. In each year, one report took more than 18 months to complete. In fiscal year 2020, five of the 11 reports the office issued took more than 18 months.

DHS management and Congress have expressed concern about the timeliness of DHS OIG’s work and DHS OIG’s ability to conduct effective

oversight given the lack of timeliness of certain work. Specifically, our analysis of published DHS OIG reports found that DHS noted concerns about timeliness in their management response letters to 12 of 78 reports program offices issued in fiscal year 2020.<sup>131</sup> These reports sometimes took between 2 and 3.5 years to complete, during which time, according to DHS, some agency policies were revised and updated. DHS OIG's work did not always reflect those agency policy changes, according to DHS's management response letters. In addition, in letters to the Inspector General dated December 2019 and March 2020, leaders of the House and Senate homeland security committees and the House oversight and reform committee expressed concern about DHS OIG's ability to conduct work and issue reports in a timely manner.<sup>132</sup> For example, in a March 2020 letter, the Chairwoman of the House Committee on Oversight and Reform said that the committee was waiting for the results of certain DHS OIG work, including a review of offensive posts on Facebook by U.S. Customs and Border Protection employees. DHS OIG began that review in August 2019 and reported on its work in May 2021.<sup>133</sup>

Program office leaders we spoke with told us that there were various reasons for increased project time frames, including that (1) each project is different and (2) the report review process affects time frames, and neither DHS OIG nor program office leaders have systematically assessed the timeliness of DHS OIG work. While it is reasonable to assess individual projects against individually determined milestones, the trend in project time frames over the past several years suggests that there may be broader factors at play. Further, although program office leaders have established time frame goals for some portions of their work, these goals do not appear to consider the systemic factors that may be contributing to longer project time frames.

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<sup>131</sup>Eight of the 78 reports program offices issued in fiscal year 2020 did not include a DHS management response letter. We excluded classified work (one report) from this analysis. We included work completed by contractors (14 reports) in this analysis.

<sup>132</sup>Chairman and Ranking Member, U.S. Senate Committee on Homeland Security and Governmental Affairs, and Chairman and Ranking Member, U.S. House of Representatives Committee on Homeland Security, to Inspector General Joseph Cuffari, December 6, 2019. Chairwoman, U.S. House of Representatives Committee on Oversight and Reform, to Inspector General Joseph Cuffari, March 26, 2020.

<sup>133</sup>Department of Homeland Security Office of Inspector General, *CBP Senior Leaders' Handling of Social Media Misconduct*, OIG-21-34 (Washington, D.C.: May 12, 2021).

The Office of Audits has established a number of target time frames for the office's program work, including that an audit should generally be completed in 6 months—with completion defined as the Assistant Inspector General for Audits approving the draft report.<sup>134</sup> Other Office of Audits time frames include planning (1–3 months), fieldwork or evidence gathering (2–4 months), and reporting or draft development (1–2 months). We found that program office staff generally did not use DHS OIG's project tracking system to track these time frames or milestones, as discussed in additional detail later in this report. As a result, we could not use the data system to assess whether Office of Audits work met their target time frames. However, given that we found that 60 of 67 Office of Audits reports completed in fiscal year 2020 took more than 12 months, we believe it is unlikely that most reports met the 6-month target time frame. We also found that the office's target time frames generally do not address project time frames after Office of Audits leadership approves the draft report.

In July 2020, the Assistant Inspector General for Audits told us that she believed the 6-month target was reasonable and achievable despite the fact that few Office of Audits projects have met the target in recent years.<sup>135</sup> Recognizing that Office of Audits work was generally not meeting the target 6-month time frame, in early 2020, an Office of Audits working group recommended that audit leadership establish a standardized process for the report review process within the Office of Audits. The group recommended estimating the length of time each of five reviewers within the office should need to review reports. However, as of December 2020, audit leadership has not established such a standardized process.

The Office of Special Reviews and Evaluations first established target time frames for its office's program work, which includes inspections, evaluations, and special reviews, in the fall of 2020. When DHS OIG created the Office of Special Reviews and Evaluations in late 2018, the group was to be a cross-disciplinary program office that could provide DHS OIG a flexible, innovative approach to timely DHS oversight. However, for 2 years after the creation of the group, Special Reviews and

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<sup>134</sup>Steps not included in this time period include additional internal OIG reviews, such as reviews in the Office of Counsel and Executive Office; DHS's review and comment period; and DHS OIG's subsequent incorporation of those comments into the final report.

<sup>135</sup>This individual retired from DHS OIG in December 2020. As of March 2021, there was an acting Assistant Inspector General for Audits.

Evaluations leaders did not establish target time frames for the program office's work or estimate the length of time report reviewers should need to review reports.<sup>136</sup> As of December 2020, a new leader in the Office of Special Reviews and Evaluations established target time frames for program office work, including a target benchmark of about 7.5 months from the start of a project to program office approval of the draft report, which includes about 3 months for fieldwork (or evidence gathering) and about 4.5 months for report writing and editing. While these time frames are a positive step, it is too soon to know if the targets are achievable, particularly because the benchmarks reflect shorter time frames than are typical in the office's work in recent years and because they were established without a systemic assessment of factors contributing to longer time frames in the office's work.

Because DHS OIG senior leaders do not have a comprehensive understanding of the time frames for their work, DHS OIG cannot know or assess the extent to which its reports are timely, consistent with CIGIE quality standards for OIGs and DHS OIG's program office manuals. Although measures of timeliness can vary by type of work or report, the overall trend—as well as DHS OIG staff perspectives—suggest that there are systemic factors affecting report timeliness that may affect multiple projects and could only be effectively examined at the organization or program office level. However, in contrast to that approach, program office leaders have established target time frames that they say are achievable, but which available data suggest are not. Timeliness in reporting is also a key element of effective oversight, and without timely DHS OIG reports, DHS's ability to respond to such oversight efforts and Congress's ability to conduct effective oversight of DHS operations are limited. Without developing and implementing a process to assess work time frames against planned and target time frames for program office work to develop a better understanding of the factors that have led to longer project time frames, DHS OIG is not well positioned to take steps to address this problem and, ultimately, to produce more timely work.

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<sup>136</sup>Individual project teams in the Office of Special Reviews and Evaluations are to outline planned project milestones at the beginning of a project. However, these planned milestones are different than broader program office time frame targets.

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### Project Tracking in DHS OIG's Data System

Although DHS OIG project time frames have increased in recent years, project teams are not required to—and do not consistently—use DHS OIG's data system's existing capabilities to track project milestones.

As part of their project planning process, Office of Audits and Office of Special Reviews and Evaluations project teams are to establish a work plan with planned milestones. However, at an organization level, officials told us that leadership has not required program office leaders to use DHS OIG's project tracking data system—the OIG's designated system for tracking reports for review, approval, and distribution—to track project milestones. As a result, leadership does not have organization-wide visibility into (1) these planned milestones or (2) actual milestones as teams conduct their work.<sup>137</sup>

Office of Audits and Office Special Reviews and Evaluations leaders told us they use trackers, such as Excel spreadsheets, to track progress for projects in their individual portfolios of work and to brief senior leaders, including the Inspector General, on project progress. While these trackers are valuable, they do not contribute to an OIG-wide understanding of project timeliness for work that is complete or in progress. Further, the trackers contain different information and do not have controls in place to ensure that the data they provide is reliable. This limits DHS OIG leadership's ability to comprehensively understand project time frames and to assess the timeliness of DHS OIG work.

While DHS OIG's project tracking system generally captures certain milestones, such as the date work starts and the dates reports are issued, other milestones are not required and are frequently not captured in the system. DHS OIG staff have identified project tracking data availability and reliability as an organizational weakness for several years. Specifically, an internal review summarizing the results of interviews with staff from across the organization noted that staff expressed that

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<sup>137</sup>In January 2021, IQO officials told us that DHS OIG's data system tracks milestones through various reports and that, in the past, senior leadership used these reports to track the status of various projects. However, this statement conflicts with the findings of a February 2020 draft IQO report, as described in further detail below.

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organization-wide data analysis on projects was a weakness for the organization.<sup>138</sup>

In addition, a recent internal analysis identified potential issues with the reliability of data about certain project milestones in DHS OIG's project tracking system. The February 2020 draft IQO report describing this analysis concluded that DHS OIG must improve the quality of the data in its project tracking system in order to draw meaningful conclusions related to the timeliness of work product reviews.<sup>139</sup> The analysis cautioned that data within the system may not be sufficient to reliably answer questions about, or to improve, review time frames.

Our analysis of DHS OIG's project tracking data identified similar limitations. The data system can track certain program office milestones, such as message agreement dates, the date work is initiated, and the date fieldwork ends.<sup>140</sup> However, program offices do not consistently record these dates in the data system because the fields are not mandatory. Specifically, the dates associated with certain program office milestones are frequently not entered into the data system and milestones are not always comparable across projects and program offices.

According to OIG officials, the decision to record these dates is delegated to program offices. Office of Audits officials told us that it is mandatory for their project teams to enter certain milestones in the data system. However, our analysis found that those milestones are not always entered. An Office of Audits official we spoke with told us that, as of July 2020, the message agreement field and other milestone fields are required for Office of Audits projects and should be populated by the audit manager or director for each project. However, she said that before the mergers of legacy audit offices into the combined Office of Audits, each legacy program office maintained its own practices regarding data entry for non-mandatory fields. We found that, for the 52 reports the Office of

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<sup>138</sup>DHS OIG, *Fiscal Year 2019 Enterprise Profile*.

<sup>139</sup>In March 2021, IQO officials told us that, although this report was substantively complete in February 2020, it had not been signed by IQO leadership or provided to OIG leadership. It remains in draft form as of March 2021.

<sup>140</sup>At a message agreement meeting, a project team generally shares the overall message of their work with program office leaders and discusses the organizational structure for the report. After this meeting, project teams write the report.

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Audits issued in fiscal year 2019, 19 projects had message agreement dates recorded in the data system.

Similarly, officials said that the Office of Special Reviews and Evaluations maintains its own practices regarding data entry for project milestone fields. We found that one of the 13 reports the Office of Special Reviews and Evaluations issued in fiscal year 2019 captured a message agreement milestone in the OIG's data system.

DHS OIG has initiated plans to modernize its information technology systems and infrastructure, which officials stated will likely include changes to the OIG's case management data systems, including the project tracking system. As of January 2021, DHS OIG has hired a contractor to conduct an analysis of its data systems and needs and to identify gaps and alternatives related to its data systems. The full modernization effort is expected to take several years, according to officials, and could lead to improvements how DHS OIG tracks milestones associated with its projects, among many other information technology improvements.

In parallel to this effort, a project team within the Office of Audits' Technology Audits and Analytics Support Division has developed and is piloting a project tracking dashboard that uses data from DHS OIG's existing project tracking system to visually represent project statuses and milestones.<sup>141</sup> In the future, this effort could be a way for DHS OIG leaders to centrally monitor project time frames and better understand factors contributing to them. An official working on this effort said that the internal response to the dashboard has been positive, but that to maximize its utility, DHS OIG will need to use the project tracking system's existing capabilities to collect additional data about projects. Specifically, for this dashboard to be most useful, officials told us that DHS OIG will need to (1) require that staff record milestones in the data system and (2) ensure the reliability of the data that is recorded.

These initiatives are a positive step toward improving DHS OIG's ability to track and assess project time frames. However, until such initiatives are completed, DHS OIG cannot identify how each step in the process contributes to overall project time frames and where to focus any process improvement efforts. Developing and implementing a process to ensure

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<sup>141</sup>DHS OIG officials told us that the dashboard was complete and ready for deployment in March 2021 and that, as of May 2021, full deployment is pending Inspector General approval.

that program offices consistently use DHS OIG's data system to track project milestones would help DHS OIG senior leaders, program office leaders, and project teams better understand the factors contributing to increased project time frames and where to focus any process improvement efforts.

### Report Reviews

DHS OIG senior leadership has not developed and implemented a process to establish time frames or responsibilities for report reviews that take place after the program office approves the draft. DHS OIG has a report review directive signed in 2016 that describes the report review process. However, report reviewers do not consistently follow the directive, the directive does not establish clear and distinct reviewer responsibilities, and the directive does not establish target time frames for report reviewers.

According to the directive, after the program office approves a draft report, the report is to be reviewed by DHS OIG stakeholders external to the program office, including (1) a contract editor, (2) counsel, (3) IQO report review, and (4) the Executive Office.<sup>142</sup> After these reviews, the program office is to prepare the draft report for transmittal to DHS for comment. The same process is to apply to the final report review process after DHS OIG receives DHS's comments. In February 2020, the Executive Office told program office leaders via email that it was changing its role in the report review process and that the Executive Office would generally no longer review draft Office of Audits reports before DHS OIG sends them to DHS. However, officials did not update the report review directive or provide further direction to program offices about this change. In May 2021, DHS OIG officials told us that, as of December 2020, their report review practice changed again and, as of that date, the Executive Office planned to review all draft Office of Audits reports. Several program office leaders told us that they lacked clarity about the Executive Office's report review process and time frames. For example, one leader described reports as getting "stuck" in the Executive Office review, affecting staff morale. Other leaders said they have not received communication from the Executive Office about their review process or preferences. In addition, a leader in the Office of Counsel told us that their

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<sup>142</sup>According to IQO documentation, the IQO report review examines the accuracy, completeness, and written quality of a draft or final report prior to its publication for adherence to standards set forth in OIG manuals.

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office would benefit from more clarity about the expected scope of their report reviews.

There is broad consensus across DHS OIG staff and program office leaders that the report review process is long and redundant, which affects the timeliness of reports. Program office leaders told us that they do not have full visibility into the report review process after a report is approved by the Assistant Inspector General and that, once they send a report through the process, they do not control the time frames or sequence of the review. Office of Audits officials told us that some reports were under review for 6 months—the amount of time the office expects it to take a team to complete all the preceding steps in the audit, including planning, evidence collection, analysis, report drafting, and program office review—and then ultimately approved for publishing with few changes. The Assistant Inspector General for Special Reviews and Evaluations told us that, as of December 2020, the office has established target time frames for report reviews. However, similar to the Office of Audits, the Office of Special Reviews and Evaluations does not control the time frames or sequence of reviews outside the office, such as those reviews by the Executive Office and Counsel. Some DHS OIG officials said DHS OIG’s lack of target time frames for report reviews is not necessarily a problem because all reports are unique and some might require a greater or lesser degree of review. However, establishing time frames for report reviewers does not preclude making exceptions to those time frames when necessary.

Because DHS OIG has not updated its report review directive to reflect the report review practices of current leadership or established time frames for report reviewers, program office leaders believe that the review process and, as a result, their ability to produce timely reports, is largely out of their control. Specifically, without an updated report review directive that establishes clear roles, responsibilities, and time frames for the report review process, DHS OIG program office leaders and teams lack the information they need to plan for timely report completion, including to communicate such information to DHS, as quality standards for OIGs require.

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## DHS OIG Does Not Have a Consistent Process for Addressing DHS’s Comments

DHS OIG’s program offices do not have a consistent process for coordinating with DHS components to receive and respond to DHS’s

technical and management comments about Office of Audits and Office of Special Reviews and Evaluations reports. Specifically, there has not been an effort across program offices to ensure consistency in how DHS OIG teams share their draft and final findings with DHS and resolve technical, sensitivity, and other comments. CIGIE quality standards for OIGs state that each OIG shall keep agency management and program managers fully and currently informed of appropriate aspects of OIG operations and findings. Further, GAGAS and CIGIE inspection and evaluation standards include guidance about how OIG staff are to coordinate with agency management about findings and reports.<sup>143</sup> Because DHS OIG does not have a consistent process for its program office teams to obtain and incorporate DHS's comments as part of the report review process, DHS officials told us that their experience of the process is inconsistent and unpredictable.

Although DHS OIG program offices have guidance about how they are to respond to DHS technical and management comments, this guidance is not coordinated across program offices. Both the Office of Audits and the Office of Special Reviews and Evaluations have guidance that states that they are generally to share draft findings with DHS. Specifically:

- **Office of Audits.** The Office of Audits' manual states that Office of Audits teams are to meet with DHS to share draft findings and proposed recommendations and receive DHS input after audit leadership has approved a draft of the report. This guidance states that it is important for teams to receive DHS's input to ensure that the audit results are fairly presented, audit recommendations are reasonable and feasible, and any errors or misrepresentations are corrected. An audit job aid issued in April 2020 includes guidance that audit teams may hold such a meeting—called an exit conference—with DHS before or after providing DHS a fully reviewed draft report.<sup>144</sup> In addition, Office of Audits officials told us that in their experience, most DHS components prefer to have the exit conference

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<sup>143</sup>GAGAS requires auditors to obtain and report the views of agency officials regarding the content of audit reports. CIGIE inspection and evaluation standards do not require that teams obtain the views of agency officials. However, they state that, when appropriate, inspectors should solicit advance review and comments from agency officials regarding the content of the report.

<sup>144</sup>We define a fully reviewed draft report as a draft that has been through DHS OIG's draft report review process, including reviews by the Office of Counsel and the Executive Office.

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after seeing the fully reviewed draft report so that they can better understand the full context of the report.

- **Office of Special Reviews and Evaluations.** Office of Special Reviews and Evaluations guidance states that teams are to meet with DHS during DHS's report review period, after providing DHS a fully reviewed draft report. This guidance is different than the Office of Audit's approach, which states that teams have flexibility and can meet with DHS to receive DHS's input before or after sending DHS a fully reviewed draft report. In addition, Special Reviews and Evaluations guidance states that, in some circumstances, if DHS OIG leaders determine that it is not necessary or advisable to seek feedback from DHS and/or the component, DHS OIG may issue a final report without first issuing a draft report or receiving DHS's input on the results of the report or its accuracy.<sup>145</sup>

The Office of Audits' guidance and position—that audit teams have flexibility in scheduling an exit conference and that DHS components generally prefer to have exit conferences after receiving the fully reviewed draft report—conflicts with a DHS flow chart illustrating its general understanding of the OIG's process. This leaves the process by which the OIG communicates with DHS to ensure that its project results are fairly presented and errors or misrepresentations are corrected at risk of misunderstanding and miscommunication. Specifically, an August 2020 DHS flow chart—describing DHS's understanding of how DHS and DHS OIG generally coordinate on report reviews and other aspects of DHS OIG work—shows that DHS's understanding of DHS OIG's process is that exit conferences are generally to be held before DHS OIG provides a fully reviewed draft report to DHS, with certain exceptions. These exceptions include (1) reports issued by the information technology audits division and (2) reports issued by the Office of Special Reviews and Evaluations. DHS officials told us that, in developing this chart, they received and incorporated process feedback from DHS OIG officials.

DHS officials said that they would like to have a consistent, repeatable process to provide input to DHS OIG about the results or accuracy of its

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<sup>145</sup>Office of Special Reviews and Evaluations officials told us that they revised their manual in April 2021 and that the revised manual states that the only instance in which DHS OIG may issue a final report without receiving DHS's input is when there is a significant delay in receiving technical comments and management's response to the draft report. Unlike GAGAS, CIGIE inspection and evaluation standards do not require that teams obtain the views of agency officials. However, they state that, when appropriate, inspectors should solicit advance review and comments from agency officials regarding the content of the report.

work, and the current practices seem to vary by program office and, sometimes, by individual project team within a program office. A February 2020 memorandum from DHS to the Inspector General requested that DHS OIG officials work with DHS to review and revise technical comments guidance and related training to better ensure an effective process for communicating about and reaching agreement regarding DHS's technical comments and redactions of sensitive information from DHS OIG reports. According to DHS officials, as of November 2020, the OIG has not taken steps to respond to this request to improve the process by which DHS and DHS OIG communicate about technical comments.

DHS officials told us, and wrote in management letters to DHS OIG, that they do not have confidence in DHS OIG's processes to correct factual errors before finalizing reports and to redact sensitive information before publicly issuing reports because they lack a standardized process for resolving such issues with DHS OIG.<sup>146</sup> Specifically:

- Regarding factual errors, DHS officials told us that they do not have confidence that DHS OIG teams will incorporate DHS's suggested revisions to improve the accuracy of DHS OIG reports.<sup>147</sup> DHS officials told us that they frequently provide feedback to improve the accuracy of DHS OIG's reports which DHS OIG staff do not incorporate. Office of Audits officials disagreed with this perspective and told us that audit teams review DHS technical comments, discuss changes and non-changes with DHS components, and incorporate changes as necessary. As of January 2021, Office of Special Reviews and Evaluations officials told us that it is their practice to provide a written response to document their response to DHS's technical comments. However, this practice was established by the newly-hired program office leader and is not otherwise institutionalized. Our analysis of DHS management response letters to DHS OIG reports issued in fiscal years 2018 through 2020 found that DHS officials expressed concern about inaccurate information or incorrect facts in 30 of 223 (about 13 percent) of the reports we reviewed, including 18

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<sup>146</sup>We did not review the factual accuracy of DHS OIG's reports.

<sup>147</sup>We acknowledge that it may not always be appropriate to incorporate a revision for accuracy suggested by DHS and that any suggested revision to improve accuracy must be supported by evidence.

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of 78 reports (about 23 percent) issued in fiscal year 2020.<sup>148</sup> OIG officials told us that they consider all DHS concerns regarding potential factual errors before issuing a final report and that DHS's claim that a statement in an OIG report is inaccurate may conflict with evidence the OIG teams gather as part of their review.

- Regarding sensitive information, DHS officials told us that they have faced challenges when asking DHS OIG to remove or redact information DHS identifies as sensitive but unclassified from reports DHS OIG plans to issue publicly. In at least two reports DHS OIG issued publicly—in fiscal years 2019 and 2021—DHS officials told us they requested sensitive but unclassified information redactions that DHS OIG did not make. Office of Audits guidance says that a report will not be distributed publicly until DHS management has an opportunity to comment on sensitive information that DHS management believes should be withheld from public release. DHS officials told us that in these two instances, the sensitivity concern was not resolved through the technical comment process and sensitive but unclassified information was included in the public report. DHS OIG officials told us that instances in which DHS OIG publication choices diverge from DHS demonstrate that DHS OIG is exercising its independence. However, according to DHS's management directive regarding safeguarding sensitive but unclassified information, DHS OIG is to safeguard that information and not disseminate it to the public.<sup>149</sup>

Quality standards for OIGs state that each OIG shall keep agency management and program managers fully and currently informed of appropriate aspects of OIG operations and findings. Further, audit, inspection, and evaluation standards include guidance about how OIG staff are to coordinate with agency management about findings and reports. Specifically, GAGAS states that auditors should obtain the views of agency officials as part of the report review process and should modify their report as necessary if they find the agency's comments valid and

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<sup>148</sup>Thirty-nine of the 223 reports we analyzed did not include a DHS management response letter. We excluded classified work (seven reports) from this analysis. We included work completed by contractors (32 reports) in this analysis.

<sup>149</sup>DHS Management Directive 11042.1, which establishes DHS policy regarding the identification and safeguarding of sensitive but unclassified information originated within DHS, states that DHS employees, detailees, contractors, consultants, and others to whom access is granted will be aware of and comply with safeguarding requirements for sensitive but unclassified information. These requirements include that sensitive but unclassified information will not be disseminated in any manner to unauthorized personnel, including the public, or posted on a DHS or any other public website.

supported by sufficient, appropriate evidence. CIGIE inspection and evaluation standards do not require that teams obtain the views of agency officials; however, they state that, when appropriate, inspectors should solicit advance review and comments from agency officials regarding the content of the report. In general, the professional standards say that DHS OIG should keep DHS informed about the OIG's work and findings on a timely basis and should strive to provide information helpful to DHS at the earliest possible stage of the work.

Because DHS OIG does not have a consistent process for its program office teams to obtain and incorporate DHS's input as part of the report review process, DHS officials experience the process as inconsistent and unpredictable. This undermines DHS's confidence in the review process and harms DHS OIG's credibility with DHS. Further, it creates a situation in which DHS officials believe that DHS OIG has not ensured that—as the audit manual states—results are fairly presented, recommendations are reasonable and feasible, and any errors or misrepresentations are corrected. In some cases, individual DHS OIG teams or program office leaders have taken steps to try to improve coordination with DHS or resolve DHS's concerns related to the report review process. However, because DHS OIG has not developed and implemented a consistent process for resolving DHS's technical and management comments, the process by which DHS's comments are resolved by DHS OIG remains at risk of miscommunication and misunderstandings.

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## Conclusions

DHS OIG plays a critical role in overseeing a department that encompasses multiple components and programs and has tens of billions of dollars in annual budgetary resources. However, management and operational weaknesses from fiscal year 2015 through fiscal year 2020—many of which originated well before this time period and continue to persist—have affected DHS OIG's ability to carry out its oversight mission effectively. Frequent leadership turnover in key roles and associated shifts in leadership priorities have, at various times, impeded efforts to address some management and organizational weaknesses and led to other management and operational weaknesses. Such weaknesses are of particular concern given that federal offices of inspectors general are expected to maintain high standards of professionalism and integrity in light of their mission. DHS OIG senior leaders told us that the Inspector General has had to prioritize his actions in addressing the organization's weaknesses and has taken steps to begin to address some of them.

However, given the breadth of the weaknesses we have identified, such actions will require significant leadership commitment and follow-through over time.

We have identified a number of wide-ranging actions related to managing changes in its organizational structure; planning and organizational performance management; workforce planning and performance management; internal controls; professional standards for audit, inspection, evaluation, and other work; and other areas that could help DHS OIG begin to address long-standing management and operational weaknesses. By following selected leading practices and CIGIE quality standards for OIGs related to each of these areas, DHS OIG would be better positioned to manage and administer related aspects of its work. For example, implementing a risk-based planning system that assesses the nature, scope, and inherent risks of DHS programs could provide DHS OIG reasonable assurance that it is targeting its work to areas of high risk to DHS or of high impact from an oversight perspective. In addition, implementing organizational performance management processes that include developing a strategic plan and annual performance plans could allow DHS OIG to assess progress towards performance goals or use performance information to identify potential needed improvements.

Additionally, once DHS OIG implements a strategic plan for fiscal years 2021–2025, DHS OIG would be able to use the strategic plan to inform a workforce planning process, allocate human capital resources based on current and emerging strategic priorities, and make most effective use of its human capital. Given the frequent turnover of leadership and reorganizations in recent years, having a process to develop succession plans would also help support DHS OIG through future leadership transitions. Additionally, developing and implementing an updated performance management policy—as well as a corresponding process to provide regular training and support for staff and supervisors in performance management—could help address persistent staff concerns about DHS OIG’s performance management practices.

Regarding internal controls governing DHS OIG’s management operations, an effective internal control system would help DHS OIG ensure that it can achieve its objectives and fulfill its mission. Establishing such a system would include evaluating its organizational structure and clearly defining roles and responsibilities; implementing a process to identify, analyze, and determine the appropriate response to risks; and implementing a process to develop, review, and manage DHS OIG’s

organizational policies. All of these actions could help DHS OIG begin to address critical policy gaps that have persisted for years, institutionalize processes, and build the structure for a healthier organization in the future.

Regarding professional standards and quality assurance for program office work, taking steps to ensure that DHS OIG brings a comprehensive and organization-wide approach to adhering to professional standards and quality assurance in its audit, inspection, evaluation, and other work would help provide assurance that all DHS OIG work adheres to applicable standards and is reliable. Following such standards includes identifying the professional standards to which DHS OIG's work adhered in a compliance statement for all reports; developing guidance for how work is to be carried out if it is not conducted according to GAGAS or CIGIE's inspection and evaluation standards; developing and implementing an organization-wide quality assurance program that includes structure, responsibility, and authority for organization-wide quality assurance; and ensuring that quality assurance reviews are comprehensive and regularly assess all types of program office work.

In addition, developing an understanding of project time frames and assessing them against goals, using its data system to track project milestones, and implementing a consistent report review process could help DHS OIG better understand the time frames of its projects and strategically target any efforts to shorten time frames, ensuring that its work contributes to timely oversight. Developing and implementing a consistent process for DHS OIG to coordinate with DHS to receive and respond to technical and management comments could help mitigate misunderstandings between DHS and DHS OIG and bring transparency and predictability to the process by which the organizations coordinate.

While following the above leading practices and standards will help DHS OIG build a foundation for carrying out its mission effectively, the weaknesses we identified are multi-faceted and have been long-standing. The work required to address these weaknesses is substantial and extends across the organization, necessitating top leadership involvement to oversee and coordinate those efforts. In the past, a lack of sustained leadership commitment to organizational improvement—whether because of turnover or particular decision-making—has contributed to management and organizational weaknesses.

Considering the extent of the identified weaknesses, this work amounts to a transformation of the organization's management and operations. Such

transformation can be a difficult, complex endeavor, and following key practices for organizational transformation can improve the likelihood of success. Top leadership commitment—and ensuring that top leadership drives a transformation—is among the key practices that can improve the likelihood of success for a transformation.

However, a transformation directed only from the top is unlikely to result in success. Key practices for organizational transformation also highlight the importance of communication within the organization and involving employees to obtain their ideas and gain ownership for the transformation. DHS OIG staff and leaders have identified many of these management and operational issues in internal reviews since 2017, and DHS OIG staff have often proposed steps or led initiatives targeted at addressing them. However, staff-led efforts have had limited success in the midst of organizational changes, leadership turnover and corresponding changes in priorities, and unclear roles and responsibilities across the organization. In several cases, leadership has not (1) communicated an intention to move forward with staff's proposed solution or (2) redirected efforts to an alternative.

Through top leadership commitment, communication, and employee involvement, DHS OIG can help ensure a successful transformation while demonstrating the organization's values and reflecting the integrity expected in any organization—but which is particularly important because OIGs are expected to operate with high standards of professionalism and integrity. A successful transformation would better position DHS OIG to fulfill its oversight mission.

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## Recommendations for Executive Action

We are making the following 21 recommendations to DHS OIG:

The Inspector General should follow key organizational transformation practices when implementing any future changes in its organizational structure. (Recommendation 1)

The Inspector General should develop and implement a process to assess the nature, scope, and inherent risks of DHS programs as part of a risk-based planning system and to serve as the basis for its annual work plans and organizational performance management processes. (Recommendation 2)

The Inspector General should develop and implement an annual work planning process, as part of a risk-based planning system, that identifies the activities to audit, inspect, or evaluate. (Recommendation 3)

The Inspector General should implement organizational performance management processes that are consistent with professional standards and leading practices. Such processes should include (1) developing a strategic plan that documents goals, objectives, and performance measures; (2) developing annual performance plans that translate strategic priorities into outcome-related goals, objectives, and performance measures; and (3) collecting and using data to assess progress as well as identify areas for improvements or corrective actions. (Recommendation 4)

The Inspector General should develop and implement a workforce plan that translates DHS OIG's strategic priorities into skill sets and competencies and identifies strategies for meeting those workforce needs. (Recommendation 5)

The Inspector General should develop and implement a process to allocate human capital resources based on the organization's current and emerging strategic objectives and priorities, once DHS OIG establishes them in its strategic plan. (Recommendation 6)

The Inspector General should develop and implement a process to develop succession plans to determine how critical leadership roles will be filled in the event of planned and unplanned vacancies. (Recommendation 7)

The Inspector General should develop and implement an updated performance management policy. (Recommendation 8)

The Inspector General should develop and implement a process to provide regular training and support for staff and supervisors so that they can consistently apply the organization's performance management policy, once DHS OIG develops and implements an updated performance management policy. (Recommendation 9)

The Inspector General should evaluate the structure of the organization and clearly define the responsibilities of each division and program office to ensure they are aligned with the OIG's strategic objectives and priorities, once DHS OIG establishes them in its strategic plan. (Recommendation 10)

The Inspector General should implement a process to identify, analyze, and determine the appropriate response to risks—that is, the internal and external risks to achieving the organization’s goals and objectives—once DHS OIG establishes them in its strategic plan. (Recommendation 11)

The Inspector General should implement a process for developing, reviewing, approving, and managing its organizational policies. (Recommendation 12)

The Inspector General should develop and implement a process to ensure that all DHS OIG reports include a compliance statement that identifies the appropriate professional standards to which the work in that report adhered. (Recommendation 13)

The Inspector General should develop and implement guidance to govern how Office of Audits or Office of Special Reviews and Evaluations work that does not adhere to (1) government auditing standards for audits or (2) CIGIE standards for inspections and evaluations is to be planned, completed, and reported. This guidance should describe how DHS OIG ensures that such work adheres to federal OIG standards of independence, due professional care, and quality assurance. (Recommendation 14)

The Inspector General should develop and implement an organization-wide quality assurance program, including establishing a structure, responsibility, and authority for implementing quality assurance in all DHS OIG work. (Recommendation 15)

The Inspector General should develop and implement a process to ensure that DHS OIG’s internal quality assurance reviews are comprehensive and that these reviews regularly assess Office of Audits and Office of Special Reviews and Evaluations work that is conducted according to each of (1) audit; (2) inspection and evaluation; and (3) other standards or authorities. (Recommendation 16)

The Inspector General should develop and implement a process for assessing actual time frames against planned and target time frames for Office of Audits and Office of Special Reviews and Evaluations work. (Recommendation 17)

The Inspector General should develop and implement a process to ensure that program offices consistently use DHS OIG’s data system to track project milestones. (Recommendation 18)

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The Inspector General should update its report review directive, including reviewer roles, responsibilities, and time frames, for draft and final reviews of Office of Audits and Office of Special Reviews and Evaluations work. (Recommendation 19)

The Inspector General should develop and implement a consistent process for DHS OIG program offices to coordinate with DHS to receive and respond to technical and management comments about Office of Audit and Office of Special Reviews and Evaluations work. (Recommendation 20)

As the Inspector General takes steps to implement recommendations in this report—and in doing so, transform the organization’s management and operations—the Inspector General should follow key organizational transformation practices. These practices include (1) ensuring top leadership drives the transformation, (2) setting implementation goals and a timeline, (3) dedicating an implementation team to manage the transformation process, and (4) involving employees to obtain their ideas and gain their ownership for the transformation. (Recommendation 21)

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## Agency Comments and Our Evaluation

We provided a draft of this report to DHS and DHS OIG for their review and comment. DHS officials told us they had no comments on the draft report. DHS OIG provided written comments, which are reproduced in appendix II, and technical comments, which we incorporated as appropriate.

DHS OIG concurred with each of the 21 recommendations. DHS OIG described planned actions in response to the recommendations, including working with NAPA to assist in developing a strategic plan. Fully implementing these recommendations will better position DHS OIG to strengthen its future performance, meet current and emerging needs, and fulfill its oversight mission. We look forward to further reviewing DHS OIG’s actions in response to the recommendations.

In its written comments, DHS OIG also noted an increase in its OPM FEVS scores for 2020, which OPM released in April 2021 after we provided the draft report to DHS OIG for comment. We have updated the report to reflect the most recent data. Alongside these data, we also note that, according to OPM, interpretation of any score changes between 2020 and prior years must be made cautiously because large changes

were made to both the survey instrument and the survey administration procedures, which research has shown can affect results.

Additionally, DHS OIG expressed a concern that the report insufficiently credits efforts to improve strategic planning, executive staffing, information technology infrastructure, and quality control, among other things. In its written and technical comments, DHS OIG provided some additional detail regarding (1) newly initiated plans to modernize its information technology systems and (2) recent and planned steps to help ensure work is conducted in accordance with professional standards. We have incorporated this information into the report.

Throughout the report, we acknowledge recent and past efforts to address long-standing management weaknesses. We continue to believe that additional steps are needed, as outlined in the recommendations. Many of the recommendations relate to implementing processes to ensure that decisions and actions are institutionalized for effective operations over the long-term. Such institutionalization is critical to strengthening DHS OIG and creating an environment in which the organization can best fulfill its oversight mission in the future.

We are sending copies to the appropriate congressional committees, the Secretary of Homeland Security, and the DHS Inspector General. In addition, this report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (404) 679-1875 or [curriec@gao.gov](mailto:curriec@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 this report are listed in appendix III.



Chris Currie  
Director, Homeland Security and Justice

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*List of Requesters*

The Honorable Gary C. Peters  
Chairman  
The Honorable Rob Portman  
Ranking Member  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Ron Johnson  
Ranking Member  
Permanent Subcommittee on Investigations  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Bennie G. Thompson  
Chairman  
The Honorable John Katko  
Ranking Member  
Committee on Homeland Security  
House of Representatives

The Honorable Carolyn B. Maloney  
Chairwoman  
The Honorable James Comer  
Ranking Member  
Committee on Oversight and Reform  
House of Representatives

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## Appendix I: Objectives, Scope, and Methodology

This appendix provides additional details on our objectives, scope, and methodology. This report examines the extent to which:

1. the Department of Homeland Security (DHS) Office of Inspector General (OIG) incorporated selected key organizational transformation practices in implementing organizational change from fiscal year 2015 through fiscal year 2020;
2. DHS OIG management policies and procedures are consistent with professional standards; and
3. DHS OIG's Office of Audits and Office of Special Reviews and Evaluations completed their work consistent with professional standards.

Our review focused on DHS OIG management and operations from fiscal year 2015 through fiscal year 2020. We have also included information on the status of ongoing efforts in fiscal year 2021. In general, we assessed DHS OIG's management and operations against a subset of standards formulated and adopted by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) in its *Quality Standards for Federal Offices of Inspector General* (quality standards for OIGs).<sup>1</sup> Those standards provide the framework for each OIG to conduct official duties in a professional manner and include guidelines for (1) planning and coordinating work, (2) managing human capital, (3) ensuring internal control, (4) adhering to professional work standards, (5) maintaining quality assurance, and (6) communicating the results of OIG activities.<sup>2</sup>

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<sup>1</sup>CIGIE, *Quality Standards for Federal Offices of Inspector General* (Washington, D.C.: August 2012).

<sup>2</sup>CIGIE quality standards for OIGs also include standards for OIG: ethics, independence, and confidentiality; reviewing legislation and regulations; and receiving and reviewing allegations. In this review, we did not evaluate DHS OIG's policies and procedures related to these quality standards because we determined that, relative to CIGIE's other quality standards, they were less directly relevant to the organization's management procedures and the quality of its work. We previously reported on the extent to which the design of DHS OIG's policies and procedures was consistent with applicable independence standards, see: GAO, *Inspectors General: DHS OIG's Structure, Policies, and Procedures Are Consistent with Standards, but Areas for Improvement Exist*, [GAO-14-726](#) (Washington, D.C.: Sep. 24, 2014).

We examined the first three of these standards as part of our second objective on management policies and procedures and the latter three of these standards as part of our third objective on the work of the Office of Audits and Office of Special Reviews and Evaluations. CIGIE quality standards for OIGs are based, in part, on internal control standards, as discussed more specifically for each objective below.

To address all of our objectives, we reviewed documentation from fiscal year 2015 through fiscal year 2020 about DHS OIG's organizational structure and policies; internal communication such as emails and memoranda; and public documents, such as semiannual reports to Congress and published reports. We interviewed senior leaders—members of the Senior Executive Service (SES) and office division or function leaders—and other staff knowledgeable about the organization's operations, as referred to us by the leaders we interviewed.<sup>3</sup> To understand the perspectives of DHS OIG staff, we reviewed and analyzed records of exit interviews, as available, with staff who left DHS OIG in fiscal year 2015 through fiscal year 2018 and DHS OIG internal assessments of strengths, weaknesses, opportunities and threats conducted in fiscal year 2017 and fiscal year 2019.<sup>4</sup> We also reviewed and analyzed information from the Office of Personnel Management's Federal Employee Viewpoint Survey (OPM FEVS) from 2016 through 2020, the most recent year of data available at the time we conducted our review. We reviewed OPM FEVS reports, including the 2020 Government-wide Management Report and the 2019 Technical Report to determine how OPM has designed and administered the survey.<sup>5</sup> We determined this data was reliable for our purposes. We determined that the control environment component of internal control, along with the

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<sup>3</sup>We conducted our interviews between March 2020 and February 2021 with officials who were employed by DHS OIG at the time we interviewed them.

<sup>4</sup>According to DHS OIG officials, exit interviews are not available for fiscal year 2019 or 2020.

<sup>5</sup>OPM FEVS data for 2020 was released in April 2021. As of May 2021, the technical report for the 2020 survey was not available. Further, according to OPM FEVS, interpretation of any score changes between 2020 and prior years must be made very cautiously. As confirmed by research, revisions to survey instrument content and the timing of survey administration have an impact on the perceptions of respondents and by extension, results. Care should be taken in attributing score differences to any one cause, especially with respect to 2020 in which large changes were made to both the instrument (e.g., removal of core items, introduction of new content, new introductory text) and survey administration procedures (e.g., time frame for the survey delayed to fall rather than the usual spring administration).

principles that (1) the oversight body and management should demonstrate a commitment to integrity and ethical values and (2) the oversight body should oversee the entity's internal control system were significant to all of our objectives, as discussed in more detail below.

To address our first objective, we reviewed documents and interviewed officials to identify organizational changes DHS OIG implemented from fiscal year 2015 through fiscal year 2020. We compared the steps DHS OIG took to implement organizational change with selected key organizational transformation practices. In prior work, we developed key practices and implementation steps to assist federal agencies in implementing organizational change.<sup>6</sup> In this work, we used the term “transformation” to broadly include any organizational changes—such as major transformations, mergers, consolidations, and other reorganizations.

Based on this prior work and for the purpose of analyzing how DHS OIG implemented organizational change, we defined organizational change as:

- The creation of a new program office or division within DHS OIG;
- The consolidation of two or more program offices within DHS OIG; or
- The movement of a division or function from one office to another within DHS OIG.

To identify DHS OIG organizational changes that met this definition, we reviewed documentation and interviewed officials about changes DHS OIG's leadership implemented from fiscal year 2015 through fiscal year 2020. We identified nine organizational changes that met this definition and included these changes in our analysis.

Our past work has shown that managing organizational change effectively requires a combination of people, processes, and other factors, such as technologies, to achieve results. In addition, effective transformation is dependent on agencies following essential change management practices, such as the involvement of employees and other key stakeholders. We identified leading change management practices and implementation steps for these practices in our prior work.<sup>7</sup> These

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<sup>6</sup>GAO, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, [GAO-03-669](#) (Washington, D.C.: July 2, 2003).

<sup>7</sup>[GAO-03-669](#).

practices and implementation steps for each practice are shown in table 5.

**Table 5: Key Practices and Implementation Steps to Assist Federal Agencies Implementing Mergers and Organizational Transformations**

Practice	Implementation step(s)
Ensure top leadership drives the transformation.	<ul style="list-style-type: none"> <li>Define and articulate a succinct and compelling reason for change.</li> <li>Balance continued delivery of services with merger and transformation activities.</li> </ul>
Establish a coherent mission and integrated strategic goals to guide the transformation.	<ul style="list-style-type: none"> <li>Adopt leading practices for results-oriented strategic planning and reporting.</li> </ul>
Focus on a key set of principles and priorities at the outset of the transformation.	<ul style="list-style-type: none"> <li>Embed core values in every aspect of the organization to reinforce the new culture.</li> </ul>
Set implementation goals and a timeline to build momentum and show progress from day one.	<ul style="list-style-type: none"> <li>Make public implementation goals and timeline.</li> <li>Seek and monitor employee attitudes and take appropriate follow-up actions.</li> <li>Identify cultural features of merging organizations to increase understanding of former work environments.</li> <li>Attract and retain key talent.</li> <li>Establish an organization-wide knowledge and skills inventory to exchange knowledge among merging organizations.</li> </ul>
Dedicate an implementation team to manage the transformation process.	<ul style="list-style-type: none"> <li>Establish networks to support implementation team.</li> <li>Select high-performing team members.</li> </ul>
Use the performance management system to define responsibility and assure accountability for change.	<ul style="list-style-type: none"> <li>Adopt leading practices to implement effective performance management systems with adequate safeguards.</li> </ul>
Establish a communication strategy to create shared expectations and report related progress.	<ul style="list-style-type: none"> <li>Communicate early and often to build trust.</li> <li>Ensure consistency of message.</li> <li>Encourage two-way communication.</li> <li>Provide information to meet specific needs of employees.</li> </ul>
Involve employees to obtain their ideas and gain their ownership for the transformation.	<ul style="list-style-type: none"> <li>Use employee teams.</li> <li>Involve employees in planning and sharing performance information.</li> <li>Incorporate employee feedback into new policies and procedures.</li> <li>Delegate authority to appropriate organizational levels.</li> </ul>
Build a world-class organization.	<ul style="list-style-type: none"> <li>Adopt leading practices to build a world-class organization.</li> </ul>

Source: GAO-03-669. | GAO-21-316

To assess the organizational changes we identified, we selected seven of the nine key practices from our prior work and used them to assess the implementation of the organizational changes.<sup>8</sup> These seven key practices were: (1) ensure top leadership drives the transformation; (2) establish a coherent mission and integrated strategic goals to guide the transformation; (3) focus on a key set of principles and priorities at the

<sup>8</sup>GAO-03-669.

outset of the transformation; (4) set implementation goals and a timeline to build momentum and show progress from day one; (5) dedicate an implementation team to manage the transformation process; (6) establish a communication strategy to create shared expectation and report related progress; and (7) involve employees to obtain their ideas and gain their ownership for the transformation.<sup>9</sup> Specifically, in assessing each organizational change, we assessed whether DHS OIG followed each implementation step, and we used those determinations to assess the extent to which DHS OIG followed the corresponding key practice. To determine whether DHS OIG followed each implementation step, we reviewed available documentation about each change, such as announcements to staff and implementation plans. We also interviewed officials who led, participated in, or were affected by the changes.<sup>10</sup> We used information from these interviews to better understand the available documentation and, in some cases, to learn about how DHS OIG applied implementation steps in the absence of available documentation. For each organizational change, we used the assessments of the implementation steps described above to assess the extent to which DHS OIG followed each selected key practice as follows:

- **Followed.** We determined that DHS OIG followed a selected key practice if DHS OIG applied all of the implementation steps associated with the key practice.
- **Partially followed.** We determined that DHS OIG partially followed a selected key practice if DHS OIG applied some but not all of the implementation steps associated with that key practice.
- **Not followed.** We determined that DHS OIG did not follow a selected key practice if DHS OIG did not apply any of the implementation steps associated with that key practice.

To establish analyst agreement on these determinations, one analyst made the initial determination and then a second analyst verified the

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<sup>9</sup>We did not include two key practices from [GAO-03-669](#): (1) use the performance management system to define responsibility and assure accountability for change and (2) build a world class organization. We did not include the key practice concerning the performance management system because we determined that, given the limitations in DHS OIG's performance management system as a whole, it would not be appropriate to address individual organizational changes on this criterion. We did not include the key practice concerning building a world class organization because it concerns the validity of the change and the performance of the organization after the change, which we do not assess in our analysis. Our scope includes the mechanics of planning and implementing change.

<sup>10</sup>We interviewed officials who were employed by DHS OIG at the time of our work.

determination by assessing the evidence against the determination. If the verifying analyst did not agree with the initial analyst's determination, the verifying analyst recorded a note regarding the point of disagreement. The analyst who made the initial determination reassessed the evidence and either provided additional supporting evidence or revised their assessment, as appropriate. As necessary, the two analysts discussed the assessment to come to agreement.

We also determined that the risk assessment component of internal controls was significant to this objective, along with the underlying principle that management should identify, analyze, and respond to significant changes that could impact the internal control system. In assessing DHS OIG's application of the selected key practices and implementation steps discussed above, we assessed the extent to which DHS OIG identified, analyzed, and responded to information—such as through the implementation step of incorporating employee feedback into new policies and procedures—as part of its implementation of an organizational change.

To address our second objective, we focused on three of CIGIE's quality standards for OIGs, as noted above, specifically: (1) planning and organizational performance management, (2) human capital management, (3) ensuring internal control. We reviewed relevant documentation from fiscal year 2015 through fiscal year 2020, including internal communications such as emails and draft memoranda. We also met with officials from each program and mission support office to discuss management policy and procedure topics relevant to their respective functions.

With regard to planning and organizational performance management, we reviewed documentation related to DHS OIG's work, strategic, and performance planning efforts, including internal project plans, draft and final strategic plans, and the statement of work for contracted support. We also interviewed officials from across the organization who led or contributed to related planning and organizational performance management activities. We assessed DHS OIG's processes for planning and organizational performance management against CIGIE's standards for planning and coordinating, as described in its quality standards for OIGs, as well as requirements from the Government Performance and Results Act Modernization Act of 2010 (GPRAMA), which CIGIE cites in

its standard for planning and coordinating.<sup>11</sup> Although GPRAMA requirements to develop a strategic plan and associated annual performance plans and other reports apply at the departmental level (e.g., DHS)—and therefore do not explicitly apply to DHS OIG—we have also previously stated that GPRAMA requirements can serve as leading practices at other organizational levels. Further, CIGIE’s standards for planning and organizational performance management are built on GPRAMA requirements. As such, we determined that it is appropriate to assess DHS OIG’s processes for planning and organizational performance management using GPRAMA requirements.

With regard to human capital management, we reviewed documentation related to staffing and performance management, including documentation about staffing allocations and hiring as well as documentation about performance management from internal assessments. We also interviewed officials from across the organization who led or contributed to related human capital activities. We determined that the control environment component of internal controls, along with the principles that (1) management should demonstrate a commitment to recruit, develop, and retain competent individuals and (2) management should evaluate performance and hold individuals accountable for their internal control responsibilities was significant to this objective. We assessed DHS OIG’s processes for human capital management against CIGIE’s standards for managing human capital, as described in its quality standards for OIGs, as well as leading practices from our prior work. Specifically, we assessed workforce planning and staffing allocation processes relative to leading practices in strategic workforce planning identified in our prior work.<sup>12</sup> We assessed succession planning processes relative to leading practices in succession planning identified in our prior work as well as guidance from the Office of Personnel Management (OPM) on talent management and succession planning.<sup>13</sup> We also determined that the associated internal control attribute that management defines succession plans for key roles in order to help the

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<sup>11</sup>Pub. L. No. 111-352, §2, 124 Stat. 3866.

<sup>12</sup>GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: Dec.11, 2003).

<sup>13</sup>GAO, *Veterans Affairs: Sustained Leadership Attention Needed to Address Long-Standing Workforce Problems*, [GAO-19-720T](#) (Washington, D.C.: Sep. 18, 2019) and OPM, *Guidance on Establishing an Annual Leadership Talent Management and Succession Planning Process* (Washington, D.C.: Nov. 1, 2017).

organization achieve its objectives was significant to this objective.<sup>14</sup> We assessed DHS OIG's approach to succession planning to determine whether it furthered DHS OIG's organizational objectives. Finally, we assessed performance management processes relative to leading practices in results-oriented cultures identified in our prior work.<sup>15</sup>

With regard to internal controls, as described in CIGIE quality standards for OIGs, Inspectors General and OIG staff should direct and control OIG operations consistent with *Standards for Internal Control in the Federal Government* to help ensure that the entity achieves its objectives and fulfills its mission.<sup>16</sup> We determined that three components of internal control were significant to this objective: (1) control environment, (2) risk assessment, and (3) control activities.

- With regard to control environment, we determined that it and the underlying principle that management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives were significant to our work. We reviewed DHS OIG documentation related to the organizational design and assignment of responsibility, including organization charts, draft policies, and internal communications about DHS OIG's structure and the assignment of responsibilities. We also interviewed officials from across the organization about the organizational structure and assignment of responsibilities. We assessed DHS OIG's organizational structure and the extent to which management assigned responsibilities consistent with standards.
- With regard to risk assessment, we determined that it and the underlying principles that management should define objectives clearly to enable the identification of risks and define risk tolerances and that management should identify, analyze, and respond to risks related to achieving the defined objectives were significant to our work. We reviewed DHS OIG documentation related to assessing risk, including project plans, work products, and documentation of internal assessment activities. We also interviewed officials who led or contributed to risk assessment activities. We assessed risk

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<sup>14</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sep. 10, 2014).

<sup>15</sup>GAO, *Results-Oriented Cultures: Creating a Clear Linkage between Individual Performance and Organizational Success*, [GAO-03-488](#) (Washington, D.C.: Mar. 14, 2003).

<sup>16</sup>[GAO-14-704G](#).

assessment activities and the extent to which DHS OIG implemented these activities consistent with standards.

- With regard to control activities, we determined that it and the underlying principles that (1) management should design control activities to achieve objectives and respond to risks and (2) management should implement control activities through policies were significant to our work. We reviewed DHS OIG documentation related to its organizational policies, including DHS OIG's policy and processes for developing and revising organizational policies, draft and final policies, and internal communications related to the policy process and implementation. We also interviewed officials who led or contributed to policy-related activities. We assessed organizational policies and the extent to which DHS OIG's design and implementation of these policies were consistent with standards.

To address our third objective, we focused on three of CIGIE's quality standards for OIGs, as noted above, specifically: (1) adhering to professional work standards, (2) maintaining quality assurance, and (3) communicating the results of OIG activities. We included the Offices of Audits and Special Reviews and Evaluations in this objective because they generally plan their projects in advance and report the results of their work publicly.<sup>17</sup> We reviewed relevant documentation, including published reports and internal quality assessments, met with selected DHS and DHS OIG officials about DHS OIG's work, and analyzed data from public reports and DHS OIG's project tracking data system. We determined that the control activities and information and communication components of internal control were relevant to this objective, along with the principles that (1) management should design the entity's information system and related control activities to achieve objectives and respond to risks, (2) management should use quality information to achieve the entity's objectives, (3) management should internally communicate the necessary quality information to achieve the entity's objectives, and (4) management should externally communicate the necessary quality information to achieve the entity's objectives.

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<sup>17</sup>We did not include work completed by the Office of Investigations in the scope of this objective because our methodology relied on reviewing publicly available reports—both for content related to professional standards and date-related information to inform data reliability on time frames for completing work. Investigative reports are generally not made publicly available. Additionally, we could not evaluate the time frames for completing investigations because the scope and timing of most investigations are based on allegations of misconduct. In other words, unlike other OIG work such as audits, investigations are not planned or scoped in advance.

With regard to adhering to professional work standards, we reviewed Office of Audits, Office of Special Reviews and Evaluations, and Office of Integrity and Quality Oversight documentation, such as manuals and job aids that include policies and procedures for how DHS OIG teams are to conduct their work. We interviewed SES leaders and other officials in these program offices about how they ensure that work adheres to professional standards. We analyzed DHS OIG public reports published in fiscal year 2018 through fiscal year 2020 to understand the standards under which teams completed their work during those years. For this analysis, we reviewed the standards as cited in DHS OIG's published reports as of the end of fiscal year 2020. We assessed DHS OIG's processes for ensuring that its work adheres to appropriate professional standards against CIGIE's standard for professional standards, as described in quality standards for OIGs and the CIGIE Pandemic Response Accountability Committee's *Agile Products Toolkit*, which includes guidance to support OIG adherence to professional standards in agile products, such as management alerts, interim reports, and white papers, among others.<sup>18</sup>

With regard to maintaining quality assurance, we reviewed internal and external documentation, such as documentation describing quality assurance activities, internal quality assurance reviews, and external peer reviews. We interviewed officials knowledgeable about DHS OIG's quality assurance activities. We assessed DHS OIG's processes for maintaining quality assurance against CIGIE's standards for quality assurance, as described in its quality standards for OIGs.

With regard to communicating the results of OIG activities, we reviewed documentation that describes how DHS OIG is to communicate the results of its activities, including policies, manuals and job aids; we examined public reports describing DHS OIG's activities, including audits, inspections, and evaluations and DHS management letters printed in those reports; and we analyzed project time frames from fiscal year 2015 through fiscal year 2020 using data in DHS OIG's project tracking system. We reviewed documentation, including a user guide, related to the project tracking system. We also conducted manual testing of the data and interviewed knowledgeable agency officials regarding the data. We determined that the project tracking data was sufficiently reliable for us to report on the start and end dates for projects. In addition, we interviewed

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<sup>18</sup>CIGIE Pandemic Response Accountability Committee, Audit Subcommittee, *Agile Products Toolkit* (2020).

DHS and DHS OIG officials knowledgeable about how DHS OIG communicates the results of its activities. We assessed DHS OIG's processes against CIGIE's standards for communicating the results of OIG activities, as described in its quality standards for OIGs. Specifically, we assessed processes relating to the timeliness of DHS OIG's work and to keeping DHS informed about its work.

We conducted this performance audit from March 2020 to June 2021 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 Office of Inspector General



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

Washington, DC 20528 / [www.oig.dhs.gov](http://www.oig.dhs.gov)

May 12, 2021

**VIA E-MAIL - CurrieC@gao.gov**

Christopher Currie  
Director  
Homeland Security and Justice Team  
Government Accountability Office  
441 G St., NW  
Washington, DC 20548

RE: GAO Draft Report, GAO-21-316

Dear Director Currie,

Thank you for the opportunity to comment on your draft report, *DHS Office of Inspector General: Actions Needed to Address Long-Standing Management Weaknesses* (GAO-21-316). We appreciate the efforts of you and your team to review our organization and make recommendations for improvement. You provide 21 recommendations which fall into three categories: strategic planning/performance, quality assurance, and business processes. We generally concur with your recommendations and provide you with technical comments to ensure important clarification, context, and perspective.

We are pleased you acknowledged our contracting in August 2020 with the National Academy of Public Administration (NAPA) to develop a strategic plan for fiscal years 2021-2025, with expected completion in June 2021. Since my confirmation in July 2019, I have worked diligently to create a leadership team of professional, career civil service executives while simultaneously communicating my vision and expectations for independent, objective, and quality oversight. I am committed to ensuring DHS OIG maintains a culture of integrity, accomplishes our mission, and forges productive relationships with the Department, Congress, and other stakeholders. With NAPA's assistance, I am very confident DHS OIG will create a comprehensive plan for future progress.

In addition, in FY 2021, one of my top priorities has been to work with the Homeland Security Systems and Development Institute contractor, MITRE, to modernize and integrate OIG's business systems and automate manual processes. As indicated in our prior communication with your office, the MITRE team has been on board since January and is making notable progress. Through a series of employee interviews and demonstrations of legacy systems, MITRE has mapped our current ("as-is") business processes. Sometime in early summer, MITRE will deliver to Senior Leaders a roadmap with options and alternatives for our future ("to-be") systems and processes. I am extremely optimistic about how our collaboration with MITRE will improve our overall work environment.

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**Appendix II: Comments from the Department  
of Homeland Security Office of Inspector  
General**



**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

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**Appendix II: Comments from the Department  
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**OFFICE OF INSPECTOR GENERAL**  
Department of Homeland Security

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Concur. A normal part of strategic planning is implementation of a process to identify, analyze, and determine appropriate response to risk; we are confident that our work with NAPA will help address this recommendation.

Recommendation 12. The Inspector General should implement a process for developing, reviewing, approving, and managing its organizational policies.

Concur. We are implementing this recommendation. As recognized in the report, we have developed and are near adopting a comprehensive delegation of authorities to guide our policy development and review processes.

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**OFFICE OF INSPECTOR GENERAL**  
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Recommendation 13. The Inspector General should develop and implement a process to ensure that all DHS OIG reports include a compliance statement that identifies the appropriate professional standards to which the work in that report adhered.

Concur. This is an established practice, and we will ensure our process is accurately documented. We passed peer reviews for all three disciplines in the last year: audit, inspection, and investigation. We include a compliance statement in the Objective, Scope, and Methodology section of all our final reports.

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Concur. We expect that all work conducted by our Office of Audits or Office of Inspections and Evaluations will be done under either Yellow Book (GAGAS) or Blue Book (Inspections) in the future. We will ensure this expectation is documented in guidance. We will consider whether additional guidance as to non-Yellow/Blue book work will be adopted, since we do not intend to issue such work.

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**OFFICE OF INSPECTOR GENERAL**  
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Concur. We take the fact that we recently passed three separate peer reviews in 12 months to indicate our quality assurance program is operating effectively. We fully anticipate that our new Office of Integrity will strengthen it through documentation, additional resources, and targeted expertise.

Recommendation 16. The Inspector General should develop and implement a process to ensure that DHS OIG's internal quality assurance reviews are comprehensive and that these reviews regularly assess Office of Audits and Office of Special Reviews and Evaluations work that is conducted according to each of (1) audit; (2) inspection and evaluation; and (3) other standards or authorities.

Concur. The quality assurance functions previously performed by staff from our legacy Office of Integrity and Quality Oversight will continue under the new Office of Integrity and, as stated above, will be marked by the infusion of additional resources and expertise.

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Concur. This is an established process in the Office of Inspections and Evaluations. Those efforts will inform similar processes in the Office of Audits.

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Thank you for your commitment to our success. We look forward to working together in the future.

Sincerely,

A handwritten signature in blue ink that reads "Joseph V. Cuffari".

Joseph V. Cuffari, Ph.D.  
Inspector General

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## Text of Appendix II: Comments from the Department of Homeland Security Office of Inspector General

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Page 1

May 12, 2021

VIA E-MAIL - CurrieC@iao,iov

Christopher Currie Director

Homeland Security and Justice Team Government Accountability Office 441 G St.,  
NW

Washington, DC 20548

RE: GAO Draft Report, GAO-21-316 Dear Director Currie,

Thank you for the opportunity to comment on your draft report, DHS Office of Inspector General: Actions Needed to Address Long-Standing Management Weaknesses (GAO-21-316). We appreciate the efforts of you and your team to review our organization and make recommendations for improvement. You provide 21 recommendations which fall into three categories: strategic planning/performance, quality assurance, and business processes. We generally concur with your recommendations and provide you with technical comments to ensure important clarification, context, and perspective.

We are pleased you acknowledged our contracting in August 2020 with the National Academy of Public Administration (NAPA) to develop a strategic plan for fiscal years 2021- 2025, with expected completion in June 2021. Since my confirmation in July 2019, I have worked diligently to create a leadership team of professional, career civil service executives while simultaneously communicating my vision and expectations for independent, objective, and quality oversight. I am committed to ensuring DHS OIG maintains a culture of integrity, accomplishes our mission, and forges productive relationships with the Department, Congress, and other stakeholders. With NAPA's assistance, I am very confident DHS OIG will create a comprehensive plan for future progress.

In addition, in FY 2021, one of my top priorities has been to work with the Homeland Security Systems and Development Institute contractor, MITRE, to modernize and integrate OIG's business systems and automate manual processes. As indicated in

our prior communication with your office, the MITRE team has been on board since January and is making notable progress. Through a series of employee interviews and demonstrations of legacy systems, MITRE has mapped our current ("as-is") business processes. Sometime in early summer, MITRE will deliver to Senior Leaders a roadmap with options and alternatives for our future ("to-be") systems and processes. I am extremely optimistic about how our collaboration with MITRE will improve our overall work environment.

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**Appendix II: Comments from the Department  
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Sincerely,

Joseph V. Cuffari

Inspector General

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## Appendix III: GAO Contact and Staff Acknowledgments

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### GAO Contact

Chris Currie at (404) 679-1875 or [curriec@gao.gov](mailto:curriec@gao.gov)

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### Staff Acknowledgments

In addition to the contact named above, Alana Finley (Assistant Director), Mary Pitts (Analyst-in-Charge), Kevin Barsaloux, Corinne Quinones, Jessica Wintfeld, Mariel Alper, Howard Arp, Nasreen Badat, Darreisha Bates, Benjamin Crossley, Elizabeth Dretsch, David Hooper, Kristen Kociolek, Steven Lozano, Benjamin Licht, Jan Montgomery, William Reinsberg, and Sarah Veale made key contributions to this work.

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