



Highlights of [GAO-10-76](#), a report to congressional addressees

Why GAO Did This Study

In June 2007, GAO reported that the Department of Homeland Security (DHS) had made little progress in integrating its existing financial management systems and made six recommendations focused on the need for DHS to define a departmentwide strategy and embrace disciplined processes. In June 2007, DHS announced its new financial management systems strategy, called the Transformation and Systems Consolidation (TASC) program. House Report No. 110-862 directed GAO to determine whether DHS had implemented GAO's prior recommendations. GAO also assessed whether there were additional issues that pose unnecessary risks to the successful implementation of the TASC program. GAO reviewed relevant documentation, such as the January 2009 request for proposal and its attachments, and interviewed key officials to obtain additional information.

What GAO Recommends

GAO makes seven recommendations and reaffirms its six prior recommendations to mitigate DHS's risk in acquiring and implementing the TASC program. DHS agreed with GAO's recommendations and described actions it has taken and plans to take to address them. GAO agrees that DHS has completed actions to address one recommendation, but further action is needed to address the others. GAO also received technical comments, which were incorporated as appropriate.

[View GAO-10-76](#) or [key components](#).

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FINANCIAL MANAGEMENT SYSTEMS

DHS Faces Challenges to Successfully Consolidating Its Existing Disparate Systems

What GAO Found

GAO's analysis shows that DHS has begun to take actions to implement four of the six recommendations made in the 2007 report; however, none of these recommendations have been fully implemented. GAO recognizes that DHS cannot fully implement some of the recommendations aimed at reducing the risk in accordance with best practices until the contract for the TASC program is awarded. DHS has taken, but not completed, actions to (1) define its financial management strategy and plan, (2) develop a comprehensive concept of operations, (3) incorporate disciplined processes, and (4) implement key human capital practices and plans for such a systems implementation effort. DHS has not taken the necessary actions on the remaining two recommendations, to standardize and reengineer business processes across the department, including applicable internal control, and to develop detailed consolidation and migration plans since DHS will not know the information necessary to develop these items until a contractor is selected. While some of the details of the department's standardization of business processes and migration plans depend on the selected new system, DHS would benefit from performing critical activities, such as performing a gap analysis and identifying all of its affected current business processes so that DHS can analyze how closely the proposed system will meet the department's needs.

GAO's analysis during this review also identified two issues that pose unnecessary risks to the TASC program—DHS's significant risks related to the reliance on contractors to define and implement the new system and the lack of independence of the contractor hired to perform the verification and validation (V&V) function for the TASC program. DHS plans to rely on the selected contractor to complete key process documents for the TASC program such as detailed documentation that governs activities such as requirements management, testing, data conversion, and quality assurance. The extent of DHS's reliance on contractors to define and implement key processes needed by the TASC program, without the necessary oversight mechanisms to ensure that the processes are properly defined and effectively implemented, could result in system efforts plagued with serious performance and management problems. Further, GAO identified that DHS's V&V contractor was not independent with regard to the TASC program. DHS management agreed that the V&V function should be performed by an entity that is technically, managerially, and financially independent of the organization in charge of the system development, acquisition, or both that it is assessing. Accordingly, DHS officials indicated that they have restructured the contract to address GAO's concerns by changing the organization that is responsible for managing the V&V function.