United States Government Accountability Office

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Report to the Chairman, Subcommittee on National Security, Emerging Threats and International Relations, Committee on Government Reform, House of Representatives

March 2005

RESULTS-ORIENTED GOVERNMENT

Improvements to DHS's Planning Process Would Enhance Usefulness and Accountability



GAO-05-300

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Highlights

Highlights of GAO-05-300, a report to the Chairman, Subcommittee on National Security, Emerging Threats and International Relations, Committee on Government Reform, House of Representatives

Why GAO Did This Study

The creation of the Department of Homeland Security (DHS) was the largest government reorganization in over 50 years, involving 170,000 employees and a $40 billion budget. Given the magnitude of this effort, strategic planning is critical for DHS to ensure that it meets the nation's homeland security challenges. GAO was asked to assess the extent to which DHS's planning process and documents (1) address required elements of the Government Performance and Results Act of 1993 (GPRA) and other good strategic planning practices and (2) reflect its homeland and non-homeland security mission responsibilities.

What GAO Recommends

To make DHS a more results-oriented agency and allow for public oversight and accountability, GAO recommends that the Secretary ensure that (1) DHS consult directly with external stakeholders, including Congress, federal agencies, state and local governments, and the private sector, in its next strategic planning process and (2) DHS's next strategic plan includes a description of the relationship between annual performance goals and long-term goals, as required by GPRA, and adopt a number of good strategic planning practices. In commenting on a draft of this report, DHS generally agreed with GAO's recommendations and provided additional information that was incorporated, as appropriate.

www.gao.gov/cgi-bin/getrpt?GAO-05-300.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Bernice Steinhardt at (202) 512-6543 or steinhardtb@gao.gov.

What GAO Found

DHS has made considerable progress in its planning efforts, releasing its first strategic plan in 2004 that details its mission and strategic goals. Nevertheless, opportunities for improvement exist. The creation of DHS brought together 22 agencies to coordinate the nation's homeland security efforts and to work with Congress and numerous other organizations, including federal agencies, state and local governments, and the private sector, to further this mission. Although DHS planning documents describe programs requiring stakeholder coordination to implement, stakeholder involvement in the planning process itself was limited. Involving stakeholders in strategic planning efforts can help create an understanding of the competing demands and limited resources, and how those demands and resources require careful and continuous balancing. As DHS updates its strategic plan, earlier and more comprehensive stakeholder consultation will help ensure that DHS's efforts and resources are targeted at the highest priorities and that the planning documents are as useful as possible to DHS and its stakeholders.

While DHS's strategic plan addresses five of the six GPRA-required elements, it does not describe the relationship between annual and long-term goals. This linkage is crucial for determining whether an agency has a clear sense of how it will assess progress toward achieving the intended results for its long-term goals. While DHS's strategic planning documents address most of the required elements of GPRA, not including them in the strategic plan makes it difficult for DHS and its stakeholders to identify how their roles and responsibilities contribute to DHS's mission and potentially hinders Congress's and other key stakeholders' ability to assess the feasibility of DHS's long-term goals. Additionally, several of the GPRA-required elements addressed in the strategic plan could be further developed through the adoption of additional good strategic planning practices. For example, identifying the specific budgetary, human capital, and other resources needed to achieve its goals could demonstrate the viability of the strategies and approaches presented for achieving its long-term goals.

Finally, although DHS's priority is its homeland security mission—which emphasizes deterring terrorism in the United States—DHS's planning documents clearly address its responsibility for non-homeland security mission programs as well, such as its response to natural disasters. In addition, DHS planning officials said that non-homeland security responsibilities were represented in the planning process and documents due, in part, to the commitment of top leadership.

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Abbreviations

DHS	Department of Homeland Security
FYHSP	Future Years Homeland Security Program
GPRA	Government Performance and Results Act of 1993
OMB	Office of Management and Budget

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United States Government Accountability Office
Washington, D.C. 20548

March 31, 2005

The Honorable Christopher Shays
Chairman, Subcommittee on National Security, Emerging
Threats and International Relations
Committee on Government Reform
House of Representatives

Dear Mr. Chairman:

To address the federal government's challenge of responding to threats against the homeland, President Bush signed the Homeland Security Act of 2002,[1] creating the Department of Homeland Security (DHS). DHS, which began operations in March 2003, is the largest government reorganization in over 50 years, involving 22 federal agencies, 170,000 employees, and a $40 billion budget. While DHS is intended to coordinate and centralize the leadership of many homeland security activities, homeland security is a shared responsibility of numerous partners, including other federal agencies, state and local governments, and the private sector. Considering the breadth of this responsibility, strategic planning is especially important to clearly identify how stakeholders' responsibilities and activities align to address homeland security efforts. Without thoughtful and transparent planning that involves key stakeholders, DHS may not be able to implement its programs effectively.

Given the implications of such an undertaking, you asked us to assess DHS's planning process and the results of this process. Specifically, we reviewed (1) the extent to which DHS's planning process and associated documents addressed the required elements of the Government Performance and Results Act of 1993 (GPRA) and reflected good strategic planning practices and (2) the extent to which DHS's planning documents reflect both its homeland security and non-homeland security mission responsibilities.

To meet these objectives, we reviewed numerous DHS planning documents and planning guidance. We also reviewed the requirements contained in GPRA and accompanying committee report language, strategic planning practices based on prior GAO work, and guidance from the Office of Management and Budget (OMB) for developing strategic plans. In addition,

[1] Homeland Security Act of 2002, Pub. L. No. 107-296, November 25, 2002.

we interviewed DHS officials responsible for agencywide planning, as well as those responsible for planning in DHS's directorates and component agencies. For more information on our scope and methodology, see appendix I.

We performed our work from April 2004 through February 2005 in accordance with generally accepted government auditing standards.

Results in Brief

DHS has made considerable progress in its planning efforts, releasing its first strategic plan in 2004 that details its mission and strategic goals. Nevertheless, opportunities for improvement exist. Although DHS's planning documents describe programs requiring stakeholder coordination to effectively implement them, stakeholder involvement in the planning process itself was limited. Given the many other organizations at all levels of government and in the private sector whose involvement is key to meeting homeland security goals, earlier and more comprehensive stakeholder involvement in DHS's planning process is essential to the success of DHS's planning efforts. In developing the strategic plan, DHS officials did not consult with other federal agencies with which DHS shares responsibility for homeland security initiatives. In addition, DHS officials had only limited consultation with nonfederal stakeholders, providing a draft of the plan to the Homeland Security Advisory Council for their review. Though DHS officials briefed congressional stakeholders on the strategic planning progress, they did not consult directly with Congress while developing the department's mission statement or strategic goals. DHS officials acknowledge that they should consult more with key stakeholders in future planning efforts. Such involvement is important to ensure that stakeholders help identify and agree on how their daily operations and activities contribute to fulfilling DHS's mission.

DHS's strategic plan addresses five of the six GPRA-required elements—a mission statement, long-term goals, strategies to achieve the goals, external key factors, and program evaluations—but does not describe the relationship between annual and long-term goals. The linkage between annual and long-term goals is crucial for determining whether an agency has a clear sense of how it will assess progress toward achieving the intended results of its long-term goals. DHS officials said that because of the limited time available to create the strategic plan, they decided not to include a discussion of annual performance goals in order to achieve broad consensus among agency components on DHS's mission and long-term strategic goals and objectives. While the *Performance Budget Overview*,

which serves as the overview of DHS's fiscal year 2005 annual performance plan, includes such a description, not including this in the strategic plan makes it difficult for DHS officials and stakeholders to identify how their roles and responsibilities contribute to DHS's mission. In addition, while DHS's planning process followed a number of good practices and its plan contained most of the GPRA-required elements, these could be further developed through the implementation of additional good strategic planning practices.

Finally, although its priority is its homeland security mission—which emphasizes counterterrorism efforts in the United States—DHS's planning documents clearly address its responsibility for its non-homeland security mission programs as well. For example, a goal in the strategic plan is "Service: Serve the public effectively by facilitating lawful trade, travel, and immigration." In addition, component agency officials said DHS's top leadership helped ensure that the non-homeland security mission programs received appropriate attention in the planning documents and planning process.

In order to make DHS a more results-oriented agency and allow for public oversight and accountability, we recommend that the Secretary of Homeland Security ensure that DHS's next strategic planning process include direct consultation with external stakeholders, including Congress, federal agencies, state and local governments, and the private sector. In addition, we recommend that the Secretary ensure DHS's next strategic plan includes a description of the relationship between annual performance goals and long-term goals, as required by GPRA. Finally, we recommend that the next strategic plan incorporate several additional good strategic planning practices: a timeline for achieving long-term goals; a description of the specific budgetary, human capital, and other resources needed to achieve those goals; a schedule of program evaluations planned; and a discussion of strategies to ameliorate the effect of any key external factors.

We provided a draft of this report to the Secretary of Homeland Security for comment. DHS generally agreed with our recommendations and provided additional comments for consideration. While acknowledging that consultation with nonfederal stakeholders was limited, DHS pointed out that it had had some consultation with a departmental advisory group. We revised the draft to acknowledge this consultation. Further, DHS implied that its Future Years Homeland Security Program document (FYHSP)—a 5-year resource plan—includes information on the relationship between

annual performance goals and long-term goals, suggesting that this information need not be included in the strategic plan. However, the FYHSP contains information regarding the programs that support the strategic goals rather than a description of how the annual performance goals relate to the long-term goals. Moreover, we continue to believe that this information should be contained in the strategic plan—as required by GPRA—rather than in separate documents to provide a readily accessible and clear linkage of the department's annual goals to its overall strategic goals. Additionally, DHS was concerned that our recommendation implied that it had not used good strategic planning practices. We have added language to make clear that we recognize that DHS employed a number of good planning practices and that it should adopt additional ones in the future. In addition, we received technical comments from DHS, which we incorporated where appropriate. Official comments from DHS are provided in full in appendix II.

Background

The Homeland Security Act of 2002 outlines DHS's responsibilities for initiatives supporting both a homeland security and a non-homeland security mission. DHS's homeland security mission is to prevent, reduce vulnerability to, and recover from terrorist attacks within the United States. DHS's non-homeland security mission—also referred to as non-terrorism-related responsibilities—includes programs such as the Coast Guard's marine safety responsibilities and the Emergency Preparedness and Response Directorate's natural disaster response functions.

GAO has previously identified strategic planning as one of the critical success factors for new organizations. As part of its transformation, we noted that DHS should engage in strategic planning through the involvement of stakeholders; assessment of internal and external environments; and an alignment of activities, core processes, and resources to support mission-related outcomes.[2] We have reported that the mission and strategic goals of a transforming organization like DHS must become the focus of the transformation, define its culture, and serve as the

[2] GAO, *Homeland Security: Agency Plans, Implementation, and Challenges Regarding the National Strategy for Homeland Security*, GAO-05-33 (Washington, D.C.: Jan. 14, 2005).

vehicle for employees to unite and rally around.[3] The mission and strategic goals must be clear to employees, customers, and stakeholders to ensure they see a direct personal connection to the transformation.

Congress enacted GPRA to focus the federal government on achieving results and providing objective, results-oriented information to improve congressional decision making. Under GPRA, strategic plans are the starting point and basic underpinning for results-oriented management. GPRA requires that an agency's strategic plan contain six key elements, as shown in table 1.

Table 1: GPRA-Required Elements of Federal Agencies' Strategic Plans

Required element	Definition
(1) A comprehensive agency mission statement	A concise summary of what the agency does, as required by law.
(2) Agencywide long-term goals and objectives for all major functions and operations	An explanation of what results are expected, described in a way that allows for a future assessment.
(3) Approaches (or strategies) and the various resources needed to achieve the goals and objectives	A brief description of the operational processes, staff skills, and technologies, as well as the human capital, information, and other resources needed.
(4) A description of the relationship between the long-term goals and objectives and the annual performance goals	An outline of the type, nature, and scope of performance goals and how those goals relate to the long-term goals.
(5) An identification of key factors, external to the agency and beyond its control, that could significantly affect the achievement of the strategic goals	A description of external factors that may affect goal achievement and would allow Congress and the agency to judge the likelihood of achieving the strategic goals.
(6) A description of how program evaluations were used to establish or revise strategic goals and a schedule for future evaluations	Objective, informal assessments of the results, impact, or effects of a program or policy.

Sources: Government Performance and Results Act of 1993 and OMB guidance.

In addition, GPRA requires agencies to consult with Congress and solicit the input of others as they develop these plans.

The *National Strategy for Homeland Security*, a foundation of DHS's strategic plan, set forth overall objectives to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and assist in the recovery from attacks that may occur. The strategy sets forth a plan to improve homeland security through

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

the cooperation of federal, state, local, and private sector organizations in an array of functions, with DHS having a prominent role in coordinating these functions. In addition, the strategy states that the United States "must carefully weigh the benefit of each homeland security endeavor and only allocate resources where the benefit of reducing risk is worth the amount of additional cost." We have advocated a risk management approach to guide the allocation of resources and investments for improving homeland security.[4] Specifically, a risk management approach would provide a decision support tool to help DHS establish and prioritize security program requirements, planning, and resource allocations.

DHS's own strategic planning process began in July 2003, with the creation of the Strategic Plan Development Group. The group consisted of officials from 15 separate DHS components and offices, including general counsel and directors of strategic planning from across DHS. By the fall of 2003, the group had created a draft strategic plan with goals and objectives for each component. However, according to officials involved, the group members were authorized to represent their component agencies but not to negotiate priorities in order to create departmentwide goals. Such a discussion was needed to develop a departmentwide document. Consequently, following the work of the Strategic Plan Development Group, DHS's Deputy Secretary brought DHS senior leaders together in December 2003 to develop DHS's vision, mission, and strategic goals and achieve senior leadership ownership of the strategic plan.

DHS issued its first departmentwide strategic plan in February 2004. The plan includes DHS's vision and mission, core values, and guiding principles. In addition, the plan describes DHS's seven strategic goals and corresponding objectives. A summary paragraph that describes the general approaches DHS will take to achieve each objective is also included. According to several senior DHS officials, the strategic plan was the primary guidance followed for DHS's management integration.[5] In addition to the strategic plan, DHS officials identified four other documents as the

[4] See GAO, *Homeland Security: Key Elements of a Risk Management Approach*, GAO-02-150T (Washington, D.C.: Oct. 12, 2001); *Homeland Security: A Risk Management Approach Can Guide Preparedness Efforts*, GAO-02-208T (Washington, D.C.: Oct. 31, 2001); and GAO-05-33.

[5] GAO, *Department of Homeland Security: A Comprehensive and Sustained Approach Needed to Achieve Management Integration*, GAO-05-139 (Washington, D.C.: Mar. 16, 2005).

key planning documents for the department. These documents are as follows.

- ***Fiscal Year 2005 Performance Budget Overview.*** This is the overview of DHS's Congressional Budget Justification for fiscal year 2005 and serves as the overview of DHS's fiscal year 2005 annual performance plan, in compliance with GPRA. The document describes the performance levels associated with the department's Fiscal Year 2005 President's Budget to Congress. For each strategic goal it includes means and strategies, as well as performance goals, measures, and targets. In addition, this document identifies the program and lead organization responsible for each performance goal.

- **DHS's *Fiscal Year 2005-2009 Future Years Homeland Security Program* (FYHSP)**. Developed pursuant to Section 874 of the Homeland Security Act, the fiscal year 2005-2009 FYHSP, dated May 2004, is a 5-year resource plan that outlines departmental priorities and the ramifications of program and budget decisions. The FYHSP includes a general discussion of the nation's threats and vulnerabilities, including a description of current and future terrorist techniques and tactics; types of weapons and threats terrorists may use; and potential terrorist targets and timing of an attack. In addition, the FYHSP includes a brief discussion of the inflation factors and economic assumptions based on underlying guidance provided by OMB. The FYHSP lays out projected resource requirements through fiscal year 2009 for each strategic goal and includes a table aligning programs to the strategic goals. Finally, the FYHSP includes a description of performance priorities for each strategic goal. DHS's 2006-2010 FYHSP was issued to Congress on March 4, 2005. It is designated "For Official Use Only," and is thus not publicly available. DHS expects to update the FYHSP annually.

- **DHS's *Milestones Report***. The *Milestones Report* is an internal DHS planning document containing performance goals linked to the long-term strategic goals described in the strategic plan. For each performance goal, the *Milestones Report* provides annual milestones for fiscal years 2005 through 2009. In addition, the *Milestones Report* aligns

specific programs with the strategic goals and identifies what percentage of program funding is allocated to addressing these strategic goals.[6]

- **DHS's themes and owners papers.** The themes and owners papers are internal planning documents that address DHS's top seven priorities during its second year of existence, March 2004 through March 2005, as identified by the former Secretary of Homeland Security. DHS directorates were identified as the "owner," or lead group, for addressing a "theme," or priority, and directorate officials submitted a proposal detailing how they would address the theme in the coming year. The themes addressed are (1) stronger information sharing and infrastructure protection, (2) standards for interoperable equipment, (3) integrated border and port security systems, (4) new technologies and tools, (5) more prepared communities, (6) improved customer service for immigrants, and (7) 21st century department.

DHS Planning Has Made Progress, but Opportunities for Improvement Exist

DHS has made considerable progress in its planning efforts, but future efforts can be improved. While DHS's planning documents discuss the need for stakeholder coordination during program implementation, stakeholder involvement was limited during the strategic planning process. While the strategic plan included five of the six GPRA-required elements, it did not describe the relationship of annual goals to long-term goals. However, DHS's planning process continues to develop and mature as the department's transformation continues.

DHS's Planning Documents Were Developed with Limited Stakeholder Input

The process of developing DHS's strategic plan and other strategic planning documents involved minimal consultation with key stakeholders, including Congress, other federal agencies, state and local governments, and the private sector. GPRA requires that agency officials solicit the input of stakeholders as they develop their strategic plans. Further, stakeholder involvement during the planning process is important to ensure DHS's efforts and resources are aligned with other federal and nonfederal partners with shared responsibility for homeland security and that they are

[6] According to the *Milestones Report*, each program has a primary strategic goal that it supports, but can support up to three strategic goals.

targeted at the highest priorities. Such involvement is also important to ensure stakeholders help identify and agree on how their daily operations and activities contribute to DHS's mission. Additionally, DHS's planning documents describe areas where DHS needs to coordinate with stakeholders to implement its programs, achieve its goals and objectives, and meet its homeland security and non-homeland security responsibilities. The importance of consultation to DHS was recently underscored in GAO's *High-Risk Series: An Update*,[7] in which we designated as high risk the establishment of appropriate and effective information-sharing mechanisms to improve homeland security. While this area has received increased attention, the federal government still faces formidable challenges sharing information among stakeholders in an appropriate and timely manner to minimize risk.

Though DHS officials briefed congressional stakeholders on the strategic planning progress, they did not consult directly with Congress while developing the department's mission statement or strategic goals. DHS officials said that when briefed, congressional stakeholders requested that the strategic plan include more detail, including specific performance goals and measures. However, according to DHS officials, these goals and measures were not included in order to meet OMB's time frame for issuing the plan. To meet this time frame, DHS decided to keep the plan's content at a high level and focus on achieving broad consensus among agency components on DHS's mission and long-term strategic goals and objectives. Nevertheless, DHS officials acknowledged that Congress should be more involved in future planning efforts. As we previously reported, Congress needs to be considered a partner in shaping agency goals at the outset, since it is a key user of performance information[8] and to ensure that congressional priorities are addressed in the planning documents. We have suggested that agencies consult with congressional stakeholders at least once every new Congress in order to clarify performance expectations.[9]

[7] GAO, *High-Risk Series: An Update*, GAO-05-207 (Washington, D.C.: January 2005).

[8] GAO, *Results-Oriented Government: GPRA Has Established a Solid Foundation for Achieving Greater Results*, GAO-04-38 (Washington, D.C.: Mar. 10, 2004).

[9] GAO-04-38.

Further, DHS officials said they did not consult with other federal agencies responsible for shared homeland security initiatives in developing the strategic plan. We have reported that a focus on results implies that federal programs contributing to the same or similar results should be closely coordinated to ensure that goals are consistent.[10] Stakeholder consultation in strategic planning efforts can help create a basic understanding of the competing demands that confront most agencies, the limited resources available to them, and how those demands and resources require careful and continuous balancing. The *National Strategy for Homeland Security* identifies six federal agencies responsible for 43 homeland security initiatives. While DHS was identified as the agency with lead responsibility for a majority of these initiatives, there were multiple lead agencies for 12 of these initiatives. For example, DHS and the State Department share lead responsibility for the initiative "create 'smart borders.'" As part of this initiative, the strategy states that DHS would improve information provided to consular offices so that individual applicants can be checked in databases and would require visa-issuance procedures to reflect threat assessments. These shared initiatives require that DHS look beyond its organizational boundaries and coordinate with other agencies to ensure that their efforts are aligned in order to meet consistent goals. However, to ensure that the shared initiatives have common goals, and that the goals are appropriate, consultation during the planning stage is vital.

Finally, DHS had limited consultation with nonfederal stakeholders, such as state and local governments and the private sector, in its strategic planning process. Nonfederal stakeholder involvement in DHS's strategic planning process is vital considering that state and local governments have primary responsibility as first responders for homeland security and approximately 85 percent of the nation's critical infrastructure is privately owned. DHS officials explained that expanded involvement of nonfederal stakeholders was not practical within OMB's time frame for completing the strategic plan. Instead, DHS provided a draft of the strategic plan to a departmental advisory group, the Homeland Security Advisory Council, for its review and comment.[11] Further, DHS component agency planning officials said that instead of consulting directly with nonfederal stakeholders, officials from DHS components were expected to represent

[10] GAO-04-38.

[11] The Homeland Security Advisory Council provides advice and recommendations to the Secretary on matters related to homeland security. The council consists of leaders from state and local government, first responder communities, the private sector, and academia.

stakeholder views when providing their input to the strategic plan. For example, officials in DHS's Private Sector Office were expected to represent the opinions of private sector officials based on the office's work with private sector representatives.

Relationship between Annual and Long-term Goals Not Addressed in DHS's Strategic Plan

DHS's strategic plan addressed five of the six GPRA-required elements, but did not include a description of the relationship between annual and long-term goals. We have reported that this linkage is critical for determining whether an agency has a clear sense of how it will assess progress toward achieving the intended results for its long-term goals.[12] DHS and OMB officials said the decision to keep the content of the strategic plan at a high level, and not include a discussion of annual performance goals, was necessary to achieve broad consensus among agency components on DHS's mission and long-term strategic goals. Although the *Performance Budget Overview* linked specific annual goals and performance measures to the long-term strategic goals, not including a description of how the annual goals relate to the long-term goals in the strategic plan makes it difficult for DHS and its stakeholders to identify how their roles and responsibilities contribute to DHS's mission and potentially limits Congress's and other key stakeholders' ability to assess the feasibility of DHS's long-term goals. OMB continues to work with DHS to develop performance measures and goals that are critical to DHS's integrated mission and reinforce the crosscutting responsibilities of component agencies.

Several of the GPRA-required elements addressed in DHS's strategic plan could be further developed through the implementation of additional good strategic planning practices. Specifically, DHS's plan describes long-term agencywide goals and objectives but does not include a timeline for achieving these goals. For example, the first strategic goal in DHS's strategic plan is "Awareness: Identify and understand threats, assess vulnerabilities, determine potential impacts, and disseminate timely information to our homeland security partners and the American public." There are four objectives related to this goal, but there is no description of when to expect results or when a goal assessment would be completed. However, the *Milestones Report* includes a timeline for expected results of programs that address the long-term goals, with performance measures

[12] GAO-04-38.

and targets for each long-term goal through fiscal year 2009. Adding this information to the strategic plan would therefore require little additional effort and would make the plan itself a more useful document.

In addition, the strategic plan generally describes strategies and approaches to achieve the long-term strategic goals but does not include the specific budgetary, human capital, or other resources needed. For example, the first objective under the second strategic goal, "Prevention," states that DHS plans to "secure our borders against terrorists, means of terrorism, illegal drugs, and other illegal activity." The approach to achieve this objective requires "the appropriate balance of personnel, equipment and technology." However, the description does not include details on the specific personnel, equipment, and technology that would be needed. Although the sensitive nature of some homeland security information may limit the level of detail, including such resource-related information in the strategic plan is critical for understanding the viability of the strategies presented to achieve the long-term goals.

Further, the impact of program evaluations on the development of strategic goals could be discussed in greater detail in the strategic plan. Inclusion of these components is necessary to ensure the validity and reasonableness of DHS's goals and strategies as well as for identifying factors likely to affect performance. Evaluation can be a critical source of information for Congress and others in assessing (1) the appropriateness and reasonableness of goals; (2) the effectiveness of strategies by supplementing performance management data with impact evaluation studies; and (3) the implementation of programs, such as identifying the need for corrective action. Rather than identifying specific program evaluations and providing a schedule of evaluations, the strategic plan states only that DHS planned to (1) integrate strategy and execution; (2) assess performance, evaluate results, and report progress; (3) collaborate; and (4) refine. The plan did not include a description of the evaluations used to develop DHS's strategic goals, nor did DHS address how future evaluations would be used to revise the goals and objectives.

Finally, DHS identified some key factors that may affect its ability to achieve its strategic goals and objectives, an element required by GPRA. However, based on our prior review of agency strategic plans, this element could be further developed with an explanation of the actions DHS intends

to take to mitigate these factors.[13] For example, DHS identified the need for "international cooperation" as a key factor that can significantly affect the achievement of its goals. To make its plan more useful, DHS could include in its next update a discussion of how the department might work together with other federal agencies to help obtain international cooperation in achieving shared goals.

DHS's Homeland Security Mission Is a Priority, but Plans Also Address Other Responsibilities

DHS planning documents specify that DHS's homeland security mission—which emphasizes counterterrorism efforts—is the key driver of planning and budgeting decisions. For example, the fiscal year 2005 FYHSP, DHS's long-term resource allocation plan, states, "the Department's overriding priority is to defend and protect the homeland from terrorism." In addition, the DHS strategic plan states that the DHS strategic goals and objectives are directly linked to accomplishing the three objectives of the *National Strategy for Homeland Security*: (1) prevent terrorist attacks within the United States, (2) reduce America's vulnerability to terrorism, and (3) minimize the damage and recover from attacks that do occur.

However, these planning documents also address DHS's non-homeland security mission in areas such as immigration services and disaster relief. For example, see the following.

- DHS's strategic plan includes the following strategic goal: "Service: Serve the public effectively by facilitating lawful trade, travel, and immigration." The focus of this goal is to improve service to those individuals immigrating to and visiting the United States.

- The *Milestones Report* includes the following performance goal: "Eliminate the application backlog by the end of FY 2006. Achieve 6 month cycle time for all applications." This goal focuses specifically on improving the efficiency of DHS's processing of citizenship and immigration applications.

- The *Fiscal Year 2005 Performance Budget Overview* includes the following performance measure: "international air passengers in compliance with agricultural quarantine regulations (percent

[13] GAO-04-38.

compliant)." The focus of this measure is to safeguard against potentially dangerous nonnative species entering the United States.

In addition, planning officials in DHS's component agencies that address the non-homeland security mission said these responsibilities were fairly represented in the planning process and documents. They attributed this, in part, to the efforts of senior leadership. For example, prior to a strategic planning meeting in December 2003 for senior officials, senior leadership developed "straw man" mission statements that included both homeland security and non-homeland security missions. According to DHS officials responsible for planning, this was done to ensure that one role was not neglected for the sake of another and both were represented in the final mission statement.

Conclusions

Given the enormity and importance of DHS's transformation, having a strategic plan that outlines and defines DHS's mission and goals is vital. While DHS has made progress in its efforts to date, improvements to its strategic planning process would help to ensure DHS's efforts and resources are aligned with other federal and nonfederal partners with shared responsibility for homeland security.

Earlier and more comprehensive stakeholder involvement in DHS's planning process is perhaps the most important area for improvement. Consultation with stakeholders during the planning process creates a shared understanding of what needs to be achieved, resulting in more useful and transparent planning documents and helping ensure the success of stakeholder partnerships. Just as important, stakeholder consultation in strategic planning efforts can help create a basic understanding of the competing demands that confront most agencies, the limited resources available to them, and how those demands and resources require careful and continuous balancing.

Congress enacted GPRA to focus the federal government on achieving results and providing objective, results-oriented information to improve congressional decision making. While the body of DHS's strategic planning documents address most of the required elements of GPRA, not having all of the required elements in its strategic plan limits Congress's and other key stakeholders' ability to assess the feasibility of DHS's long-term goals. While DHS followed a number of good planning practices, by adopting others it could improve the strategic plan's usefulness with little extra effort.

Recommendations for Executive Action

To make DHS a more results-oriented agency and allow for public oversight and accountability, we recommend that the Secretary of Homeland Security take the following three actions. First, ensure that DHS's next strategic planning process includes direct consultation with external stakeholders, including Congress, federal agencies, state and local governments, and the private sector.

Second, we recommend that the Secretary of Homeland Security ensure that DHS's next strategic plan—the agency's primary public planning document—includes a description of the relationship between annual performance goals and long-term goals, as required by GPRA.

Finally, we recommend that the Secretary of Homeland Security ensure that DHS's next strategic plan further develop the GPRA-required elements addressed by adopting additional good strategic planning practices. Specifically, the Secretary should ensure that the strategic plan includes a timeline for achieving long-term goals; a description of the specific budgetary, human capital, and other resources needed to achieve those goals; a schedule of program evaluations planned; and a discussion of strategies to ameliorate the effect of any key external factors.

Agency Comments and Our Evaluation

On February 25, 2005, we provided a draft of this report to the Secretary of Homeland Security. On March 14, 2005, we received written comments from DHS that are reprinted in appendix II. In addition, we received technical comments, which we incorporated where appropriate. DHS generally agreed with our recommendations, and provided additional comments for our consideration.

While DHS officials acknowledged that expanded involvement of nonfederal stakeholders was not practical within OMB's time frame, they pointed out that they sought to consult with nonfederal stakeholders by providing a draft to the Homeland Security Advisory Council for its review and comment. We revised the draft to acknowledge this consultation. DHS officials stated that they plan to seek more interaction with nonfederal stakeholders during the next plan revision.

Further, in response to our recommendation, DHS implied that its FYHSP includes information on annual performance goals and long-term goals, suggesting that this information need not be included in the strategic plan. However, the FYHSP contains information regarding the programs that

support its strategic goals rather than a description of how the annual performance goals relate to the long-term goals. Moreover, we continue to believe that this information should be contained in the strategic plan—as required by GPRA—rather than in separate documents to provide a readily accessible and clear linkage of the department's annual goals to its overall strategic goals. As we noted earlier, the FYHSP is not a public document, available only for official use, making it of limited value for accountability purposes.

Additionally, DHS was concerned that our recommendation to adopt a number of good planning practices implied that it had not used good strategic planning practices. We have added language to make clear that we recognize that DHS employed a number of good planning practices and that it should adopt additional ones in the future.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days after its issuance date. At that time, we will send copies of this report to the Secretary of Homeland Security and other interested parties. Copies will also be available at no charge on GAO's Web site at http://www.gao.gov.

If you have any questions about this report, please contact me at (202) 512-6543 or steinhardtb@gao.gov or Kimberly Gianopoulos at gianopoulosk@gao.gov. Major contributors to this report included Benjamin Crawford, Chelsa Gurkin, and Amy W. Rosewarne.

Sincerely yours,



Bernice Steinhardt
Director, Strategic Issues

Objectives, Scope, and Methodology

The objectives of this report were to assess (1) the extent to which the Department of Homeland Security's (DHS) planning process and documents address required elements of the Government Performance and Results Act of 1993 (GPRA) and reflect good strategic planning practices and (2) whether DHS's planning process and documents reflect attention to homeland security and non-homeland security mission responsibilities.

To meet these objectives, we reviewed numerous DHS planning documents and related material and interviewed numerous DHS officials. Our review of planning materials included the *Strategic Plan*, *Fiscal Year 2005 Performance Budget Overview*, *Fiscal Year 2005-2009 Future Years Homeland Security Program*, *Milestones Report*, and themes and owners papers. In addition, we reviewed the *National Strategy for Homeland Security.*

To meet our first objective, we relied on requirements contained in GPRA and accompanying committee report language[1] and planning practices based on prior GAO work, guidance to agencies from the Office of Management and Budget (OMB) for developing strategic plans,[2] and DHS internal planning guidance. We then reviewed DHS's planning documents to identify where the GPRA-required elements could be found. To meet our second objective, we reviewed these planning documents to determine if they addressed both DHS's homeland security and non-homeland security mission responsibilities.

In addition, we interviewed officials at OMB, as well as DHS officials responsible for agencywide planning in its Office of the Deputy Secretary and Office of Program, Analysis and Evaluation. We also interviewed officials responsible for planning in DHS's directorates and component agencies. Specifically, we met with officials in the Border and Transportation Security Directorate, the Science and Technology Directorate, the Federal Emergency Management Agency (part of the Emergency Preparedness and Response Directorate), the Coast Guard, the Secret Service, the Transportation Security Administration, the U.S. Citizenship and Immigration Services, the Private Sector Office, and the Office of State and Local Government Coordination. To meet our first

[1] *Government Performance and Results Act of 1993*, Committee on Governmental Affairs, United States Senate, S. Rep. No. 58, 103d Cong. 1st Sess. (1993).

[2] OMB Circular No. A-11, *Part 6*, *Preparation and Submission of Strategic Plans*, *Annual Performance Plans*, *and Annual Program Performance Reports.*

objective, we interviewed officials about the process used to create the planning documents. To meet our second objective, we interviewed officials about the process for ensuring accountability for DHS's homeland security and nonhomeland security mission responsibilities.

Written comments from DHS are included in appendix II. We conducted our work from April 2004 through February 2005 in accordance with generally accepted government auditing standards.

Comments from the Department of Homeland Security

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

Homeland Security

March 14, 2005

Ms. Bernice Steinhardt
Director, Strategic Issues
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Steinhardt:

RE: GAO-05-300, Results-Oriented Government: Improvements to DHS' Planning Process Would Enhance Usefulness and Accountability (GAO Job Code 450314)

Thank you for the opportunity to review the subject draft report. We generally agree with the recommendations and are already implementing them. The draft acknowledges the progress made in the Department of Homeland Security's planning effort and recognizes that Department planning efforts and related documents address our responsibility for both homeland security and non-homeland security mission programs.

While we generally agree with the recommendations, we offer a few comments for your consideration. GAO recommends that the Department of Homeland Security's (DHS) next strategic planning process include direct consultation with external stakeholders, including Congress, federal agencies, state and local governments, and the private sector. DHS agrees with the value of increasing stakeholder input upfront in developing and updating the strategic plan. However, the draft report does not accurately reflect DHS consultation with non-federal stakeholders. For its first ever strategic plan, DHS officials consulted with the Homeland Security Advisory Council, whose membership includes leaders from state, local, academic and private sectors. Given the short timeframe DHS officials had to develop the first strategic plan, expanded involvement of stakeholders was not practical. DHS will seek more interaction with Congress, other federal agencies, and state, local and private sectors with its next plan revision. DHS is currently working with the Departments of State, Energy, Defense, Justice, and others in developing a long range strategic planning framework. This framework will include significant involvement by state, local, and private sectors.

GAO also recommends the strategic plan include a description of the relationship between annual performance goals and long-term goals, a timeline to achieve the goals and a description of the resources needed to achieve the goals. The high level strategic plan published in February 2004, developed by the Department's top leadership, provided

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the framework and direction to guide the Department's plans and activities. The Future Years Homeland Security Program (FYHSP) provides the five-year resource loaded performance plan to support the goals and objectives of the strategic plan and the budget serves as the annual execution plan. The FYHSP reflects DHS's approach to aligning resources and performance plans and milestones to meet the goals and objectives of the strategic plan.

GAO recommends that DHS' next strategic plan further develop the GPRA-required elements addressed by adopting good strategic planning practices. The Department already has adopted several good strategic planning practices and has developed all the GPRA required elements of a strategic plan. As written, the recommendation infers that we have not used good strategic planning practices.

In developing the FYHSP, we implemented a step-by-step strategic decision-making process that links the threat assessments, risk management, resource constraints, and the policy intentions of our leadership to the thousands of detailed readiness actions needed to meet the missions of the Department of Homeland Security. All programs supported in the FYHSP must have long-term goals, performance measures and annual milestones. Programs must yield demonstrable results that explain and justify how they will further mission achievement. DHS submitted the FY 2006-FY2010 FYHSP to Congress on March 4, 2005.

We are providing technical comments and suggested clarifications to your office under separate cover that should be incorporated into the final report.

Sincerely,

Steven Pecinovsky

Steven Pecinovsky
Director
Departmental GAO/OIG Liaison Office

MMcP

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