OFFICE OF INSPECTOR GENERAL

DHS Needs to Improve the Process for Identifying Acquisition Planning Capability Needs

Homeland Security

DHS OIG HIGHLIGHTS
DHS Needs to Improve the Process for Identifying Acquisition Planning Capability Needs

Why We Did This Audit

After DHS' failed attempt in 2003 to focus on capability needs in acquisition planning, the Department Secretary reiterated the importance of addressing this issue. Our audit objective was to determine to what extent the Department and its components have controls in place to identify capability needs prior to acquiring goods and services.

What We Recommend

We made four recommendations that, when implemented, will improve decision traceability and ensure the Department has consistent information on which to base acquisition decisions.

What We Found

The Department of Homeland Security has established a process that provides guidance to identify required capabilities, gaps, and opportunities, which are found in capability needs documents. The Department also has controls in place to prevent components from circumventing this process. However, the Department validates noncompliant capability needs documents. DHS does not hold components accountable for failing to follow guidance and also has not provided adequate direction on how to implement the guidance. As a result, the Department cannot be assured that capability needs are properly identified.

Additionally, Department analysts are not consistent when reviewing capability documents and applying departmental guidance and the acquisition decision-making process is not always documented. This occurred because the Department has neither standard operating procedures to help its analysts consistently review documents and provide feedback, nor a written policy requiring documentation to support validation decisions.

Inconsistent analyst reviews affect the Department's ability to make informed decisions about components' assessments of capability needs. It may result in components expending additional resources to develop capability documents and may delay the Department's acquisition of needed goods and services. Furthermore, without proper documentation, issues identified during capability document reviews may not be addressed prior to validation.

Management's Response

The Department concurred with the recommendations and described corrective actions taken. We consider three of the four recommendations closed. However, actions taken to address the remaining recommendation do not address the intent of the recommendation. Therefore, we consider the remaining recommendation open and unresolved.

January 30, 2019

MEMORANDUM FOR: The Honorable Claire M. Grady
Senior Official Performing the Duties of the
Deputy Secretary

FROM: John V. Kelly
Senior Official Performing the Duties of the
Inspector General

SUBJECT: *DHS Needs to Improve the Process for Identifying
Acquisition Planning Capability Needs*

Attached for your information is our final report, *DHS Needs to Improve the
Process for Identifying Acquisition Planning Capability Needs*. We incorporated
the formal comments from the Department in the final report.

This report contains four recommendations aimed at improving decision
traceability and ensuring the Department has consistent information on which
to base acquisition decisions. Your office concurred with all four
recommendations. Based on information provided with your response to the
draft report, recommendations 2, 3, and 4 are closed. However, OIG considers
recommendation 1 open and unresolved. As prescribed by the *Department of
Homeland Security Directive 077-01, Follow-up and Resolution for Office of
Inspector General Report Recommendations*, within 90 days of the date of this
memorandum, please provide our office with a written response that includes
your (1) agreement or disagreement, (2) corrective action plan, and (3) target
completion date for the recommendation. Also, please include responsible
parties and any other supporting documentation necessary to inform us about
the current status of the recommendation.

Consistent with our responsibility under the *Inspector General Act*, we will
provide copies of our report to congressional committees with oversight and
appropriation responsibility over the Department of Homeland Security. We will
post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact Sondra McCauley,
Assistant Inspector General for Audits, at (202) 981-6000.

Attachment

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Appendixes

Abbreviations

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CAR	Capability Analysis Report
CASP	Capability Analysis Study Plan
CRM	Comment Resolution Matrix
JRC	Joint Requirements Council
JRIMS	Joint Requirements Integration and Management System
KMDS	Knowledge Management Decision Support
OIG	Office of Inspector General
SOP	Standard Operating Procedures

Background

Each year, the Department of Homeland Security invests billions of dollars in its major acquisition programs to help execute its many critical missions. According to DHS' *Agency Financial Report, Combined Schedule of Spending*, the Department obligated $27 billion and $33 billion during fiscal years 2016 and 2017, respectively, for both "Contractual Services and Supplies" and "Acquisition of Assets." DHS acquires systems to help secure the border, increase marine safety, screen travelers, enhance cybersecurity, improve disaster response, and execute a wide variety of other operations.

DHS and its components use the acquisition management process to acquire goods and services and to sustain them throughout the acquisition lifecycle. The Department uses a four-phase acquisition lifecycle framework to determine whether it is sensible to proceed with a proposed acquisition. As shown in figure 1, the four phases are: Need; Analyze/Select; Obtain; and Produce/Deploy/Support/Dispose. These phases cover the acquisition lifecycle from identification of the need through retirement of the program. Each phase culminates in a presentation to an Acquisition Review Board, at which time the Acquisition Decision Authority decides whether the proposed acquisition meets certain requirements necessary to move on to the next phase and eventually to full production.

Figure 1: The Acquisition Lifecycle Framework
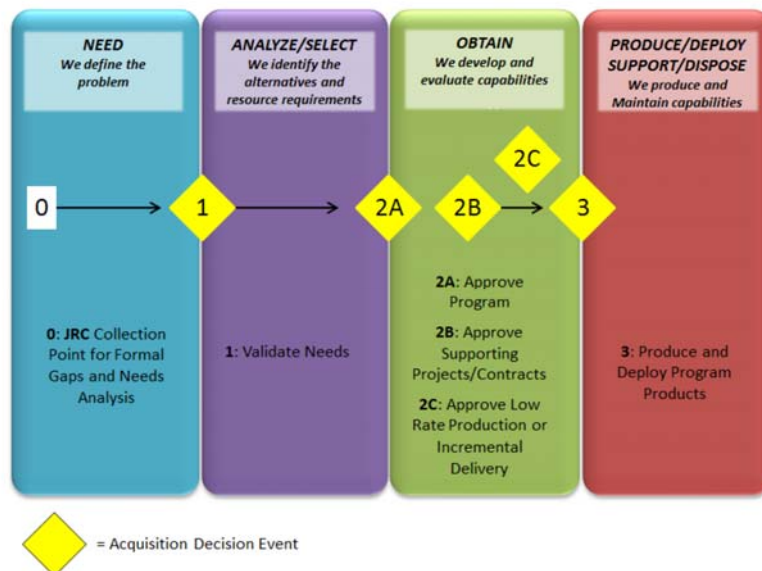
Source: DHS Instruction 102-01-001, Rev. 01, *Acquisition Management Instruction*

In the Need phase of the acquisition lifecycle framework, the Department uses a number of sources to identify its capability needs (i.e., deficiencies/gaps), as well as those of the components. The main sources are:

- component leadership representing user requests (user-identified needs);
- a capability analysis;
- results from post-implementation reviews; and
- annual operational analyses.

The primary effort during the Need phase is led by the components' requirements organizations and the Department's Joint Requirements Council (JRC), in coordination with the acquisition office and the users. DHS originally established the JRC in September 2003 by Management Directive System 1405, *Charter of DHS Joint Requirements Council*, but DHS never fully implemented JRC, and it became inactive. DHS reestablished JRC in June 2014, through the Secretary's Strengthening Departmental Unity of Effort memorandum for DHS leadership. The memorandum established the Deputy Management Action Group as a decision-making body chaired by the Deputy Secretary. It provides direction and guidance to JRC; reviews JRC-validated capability gaps, needs, and requirements; and endorses or directs related follow-on JRC activities.

JRC mandates joint development of capability documents to facilitate timely and cost-effective development of solution approaches when appropriate. To develop these documents, sponsors work with JRC to identify component requirements, capability needs, and gaps. The sponsor is the component writing the capability document and submitting it to JRC. Figure 2 shows the sequence of required capability documents, which sponsors submit to the JRC for validation (see appendix C for a detailed explanation of each capability document). JRC issues validation memos to components to notify them of its validation decision and to indicate the capability document is no longer considered a draft.

Figure 2: Progression of Required Capability Documents
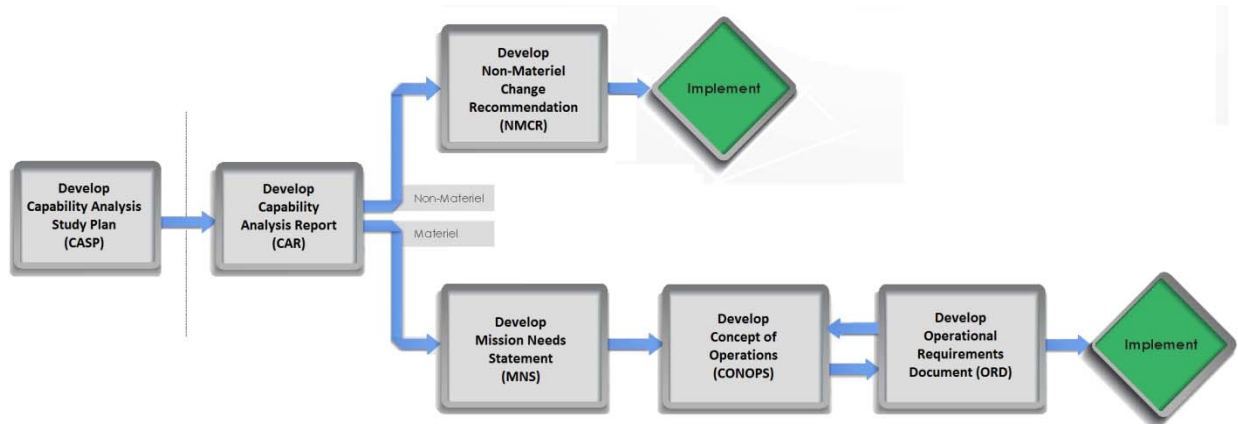
Source: Office of Inspector General (OIG)-amended chart based on DHS Instruction Manual 107-01-001-01, *DHS Manual for the Operation of JRIMS* and discussions with the JRC.

In this report, we examine the extent to which the Department and its components have controls in place for the Joint Requirements Integration and Management System (JRIMS) process.

Results of Audit

The Department's JRC has established a JRIMS process that provides guidance to identify required capabilities, gaps, and opportunities for joint efforts captured in capability documents. The Department also has controls in place to prevent components from circumventing the JRIMS process. However, the Department validates noncompliant capability needs documents. Moreover, DHS does not hold components accountable for failing to follow guidance and has not provided adequate direction on how to implement the guidance. As a result, the Department cannot be assured that capability needs are properly identified.

In addition, JRC analysts are not consistent when reviewing capability documents and applying the JRIMS instruction manual, and JRC does not always document its decision-making process to support its determination to validate capability documents. This occurred because JRC has neither standard operating procedures (SOP) to help its analysts consistently review documents and provide feedback, nor a written policy requiring documentation to support validation decisions.

Inconsistent analyst reviews affect JRC's ability to make informed decisions about whether components are making adequate assessments of capability needs and development. Consequently, inconsistent JRC reviews may lead components to expend additional resources to develop capability documents, and may delay the Department's acquisition of needed goods and services. Without proper documentation, JRC cannot be certain all issues identified during capability document reviews are addressed prior to validation.

JRC Established Guidance to Identify Required Capabilities, Gaps, and Opportunities

The Department's JRC has established a JRIMS process that provides guidance to identify required capabilities, gaps, and opportunities for joint efforts captured in capability documents. The component-composed, component-chaired JRC established and oversees a JRIMS process to identify, generate, validate, and prioritize the Department's capability needs. On April 21, 2016, the Under Secretary for Management issued DHS Instruction Manual 107-01-001-01, *DHS Manual for the Operation of the Joint Requirements Integration and Management System* (JRIMS instruction manual), which includes the detailed guidelines and procedures to identify required capabilities, gaps, and opportunities for joint efforts captured in capability documents.

The Department also has controls in place to prevent components from circumventing the JRIMS process for identifying capability needs before acquiring goods and services. As part of its oversight of the JRIMS process, JRC staff make recommendations to the JRC Director to validate and prioritize needed Department capabilities and solutions for capability development. In turn, the JRC Director provides this information to the Deputy Management Action Group. These oversight controls are designed to help maximize benefits to the Department as a whole, rather than to focus on the needs of one component.

JRC Did Not Fully Assert Its Authority over the JRIMS Process

JRC validated noncompliant capability documents, inconsistently reviewed those documents, or improperly documented its decisions. DHS is not holding components accountable for not following guidance and has not provided adequate direction for implementing the guidance. JRC has neither SOPs to help its analysts consistently review documents and provide feedback, nor a written policy requiring documentation to support validation decisions. As a result, the Department has no assurance JRC is making appropriate determinations on validating capability documents, which hinders informed decision making about capability needs and development.

JRC-Validated Capability Documents Were Not JRIMS-compliant

JRC-validated capability documents were not compliant with the JRIMS instruction manual. According to Management Directive 107-01, JRC is charged with initially reviewing components' capability documents to ensure they comply with the JRIMS instruction manual. In addition, sponsors are responsible for submitting capability documents that comply with the criteria in the manual.

We reviewed 19 JRC-validated capability documents and determined 11 (58 percent) were missing criteria specified as critical in the JRIMS instruction manual.[1] For example, the operational requirements document for the Federal Emergency Management Agency Grant Management Modernization program did not adequately address critical criteria. The document included measurable and testable outputs, but did not address measures of effectiveness for outcomes (i.e., measures of success), which are the most critical performance requirements needed to meet capability objectives.

In another example, the Office of the Chief Information Officer provided the Human Resources and Information Technology's capability analysis report that lacked baseline measures for four of the five capabilities identified for the program. Baseline measures, which the JRIMS instruction manual identifies as critical criteria, establishes a program's cost, schedule, and performance parameters — measurable, quantitative terms that must be met to accomplish the program's goals. JRC concluded that the baseline measure criteria of the capability analysis report the Office of the Chief Information Officer submitted was met based on undocumented conversations about the baseline. However, we disagreed with JRC's conclusion because JRC could not provide documentation to support it met baseline measures.

Finally, JRC validated a capability document that did not meet the intended purpose as specified in the JRIMS instruction manual. Specifically, U.S. Customs and Border Protection's capability analysis report for the Multi-Role Enforcement Aircraft Mix and Laydown program identified the purchase of aircraft as the solution, rather than identifying component needed capabilities.

The Department cannot be assured that capability needs are properly identified when JRC does not hold components to the requirements in the JRIMS instruction manual. Through the JRIMS process, the Department reviews and validates capability requirements, associated gaps, and proposes solution

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[1] We considered all criteria identified as critical in the JRIMS instruction manual to be required in capability documents.

approaches to mitigate those gaps. This process enhances DHS executive decision making by validating requirements and prioritizing joint capabilities. The validation process confirms that the requirements are traceable, feasible, and cost-informed.

However, JRC did not exercise its authority to enforce compliance with the JRIMS process. Rather, JRC officials said they made the process easier and allowed components flexibility as they acclimated to the process and the JRIMS instruction manual. JRC staff said they took this approach because they "thrusted" the JRIMS process on the components with little to no direction on how to implement the manual. For example, DHS did not give components additional resources to implement the JRIMS process. Furthermore, only three components indicated they had a requirements division in place, although three other components were establishing requirements divisions.

JRC Did Not Consistently Review Capability Documents

JRC analysts are not consistent in their review of capability documents and application of the JRIMS instruction manual. As a result, analysts do not always give consistent feedback. The different methodologies that analysts use to review capability documents include scorecards, key questions, and comment resolution matrices. These methodologies help determine whether the capability documents accomplish the intent of the JRIMS instruction manual. JRC analyst reviews are key to the JRIMS process; therefore, components need consistent feedback from these reviews to ensure the process remains transparent.

The inconsistent analyst reviews occurred because JRC has neither SOPs to help its analysts consistently review documents and provide feedback, nor a written policy requiring documentation to support validation decisions. Inconsistent analyst reviews affect JRC's ability to make informed decisions about whether components are making adequate assessments of capability needs and development of capability needs documents. Consequently, inconsistent JRC reviews may lead some components to expend additional resources to develop capability documents, and may delay the Department's acquisition of needed goods and services.

Inconsistent Use of Scorecards

Some analysts did not apply JRIMS critical criteria consistently. During their initial review of capability documents, JRC analysts complete a scorecard, which is an internal JRC document. The scorecard has critical and non-critical questions taken directly from the JRIMS instruction manual. Analysts indicate on the scorecard whether criteria are "met" or "not met."

For example, two different component programs — the Law Enforcement Information Sharing Environment and the Common Operating Picture — had identical capability documents. JRC analysts' initial review of both documents using the scorecard resulted in different assessments of the same critical criteria. The JRC scorecards for the documents had three identical critical line items, such as defining a standard for measures and metrics to evaluate capability effectiveness and success in achieving the desired outcome. Analysts assessed these three identical line items differently — one analyst identified the critical items as "met" on the scorecard, and another analyst identified them as "not met" on the scorecard.

In addition, some JRC analysts chose to provide the scorecard to the component sponsors, while others did not. This inconsistency means components do not always have the same opportunity to correct deficiencies in capability documents. For example, in interviews, United States Secret Service staff working on two capability documents for Advanced Wireless Services III (mission need statement and concept of operations) said they were unaware scorecards for the documents existed. Had they known about the scorecards, the staff said they would have addressed critical criteria missing in the capability documents.

Key Questions Not Included in JRIMS Instruction Manual

During the JRIMS review, JRC also looks at the capability document in its totality to determine whether it addresses key questions, such as, "What is the Department's ability to meet a specific mission, objective, or function?" JRC created these key questions for each capability document to better determine whether the capability document under review accomplishes its specific intended purpose, but the questions are not part of the JRIMS instruction manual. Not having these questions in the JRIMS manual for components to see how their documents will be reviewed may reduce the likelihood that the capability document will address these key questions. It also diminishes the overall transparency of the JRIMS process.

Some Comment Resolution Matrices Missing Information

The JRIMS process also includes JRC and DHS components providing comments to the sponsor in a comment resolution matrix (CRM). CRM may include comments about missing critical criteria that JRC analysts identified in the scorecard. Per the JRIMS instruction manual, following the initial review and commenting by stakeholders on the capability document, the JRIMS Gatekeeper[2] gives the sponsor a consolidated CRM for comment adjudication. The sponsor of the capability document works with stakeholders to resolve CRM questions and comments to avoid delays in the capability document validation process. All critical comments from the stakeholder should be resolved before the document moves forward in the validation process. According to the JRIMS instruction manual, critical comments that lack suitable adjudication may be grounds for JRC analysts to withhold recommendation for validation of the document.

In comparing 18 scorecards that had corresponding CRMs for the same capability documents, we found critical items identified as not met in the scorecards did not appear in the associated CRMs. Therefore, CRMs did not fully address critical information needed for decision making, such as a description of how the potential investment fit into the Homeland Security Enterprise Architecture Transition Strategy.

This overall lack of consistency in JRC review occurred because JRC does not have any SOPs for analysts to follow when conducting their reviews. As a result, DHS has no assurance that components are getting constructive feedback from JRC staff that can be used to develop documents for identifying capability requirements and gaps. Inconsistent analyst reviews affect JRC's ability to make informed decisions about whether components are making adequate assessments of capability needs and capability development. Consequently, inconsistent JRC reviews may lead some components to expend additional resources to develop capability documents, and may delay the Department's acquisition of needed goods and services.

JRC Did Not Properly Document Its Decisions

JRC does not always document its decision-making process to support its validation of capability documents. Specifically:

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[2] The JRIMS Gatekeeper is a staff member who screens sponsor-submitted capability documents for compliance with JRIMS templates and standards. In addition, the Gatekeeper maintains a repository of documents, issues, and initiatives reviewed in the JRIMS process and makes sure sponsors and other DHS stakeholders have access to the document repository.

- Items identified in initial reviews as critical were not always addressed and remained outstanding in the validated capability document.

- JRC was not able to provide documentation of sponsor responses to JRC and component comments.

- JRC did not have documentation to support whether JRC and component CRM comments were resolved.

The Office of Management and Budget Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control,* requires agencies to have processes in place that provide reasonable assurance their objectives are achieved.

We concluded that all 19 of the capability documents we reviewed should have had corresponding CRMs. We determined that 1 capability did not contain the corresponding CRM. Of the remaining 18 capability documents, 4 lacked sponsor replies to stakeholder comments. All 18 capability documents lacked clear determinations as to whether JRC fully adjudicated and accepted the comments. Although the CRMs included comments related to items identified as critical in the scorecard, 9 of 18 CRMs failed to address critical items JRC analysts had previously identified as "not met." These critical items were also not fully addressed in the validated capability documents.

For example, the Secret Service's Advanced Wireless Services III concept of operations CRM contained a comment to the sponsor indicating it should address concerns that components expressed. During audit follow up with JRC, representatives said JRC validated the capability document without requiring the Secret Service to coordinate directly with the other components because it was able to demonstrate that the program was "sufficiently unique." Representatives said that Secret Service and JRC leadership made this decision after the two parties held discussions. However, neither party provided documentation that these discussions occurred. Furthermore, according to the validation memo for the Advanced Wireless Services III concept of operations, JRC determined multiple components would have a stake in the program, indicating the Secret Service should have worked with those components.

In another example, we reviewed the Common Operating Picture capability analysis report and found that sponsor adjudication comments were provided. However, JRC did not indicate whether it agreed or disagreed with the sponsor's adjudication. One of the critical comments the sponsor disagreed with concerned current baseline measures. We also found the validated document did not adequately address the baseline measures.

This occurred because JRC did not have SOPs requiring its staff to document decisions made during the review and comment adjudication process. The JRIMS instruction manual outlines a process for validating capability documents, but does not specify what documentation is needed to support decisions made during the process. Without proper documentation, JRC cannot be certain all issues are addressed prior to validation.

JRC needs to strengthen controls over the JRIMS process. Currently, the Department has no assurance JRC makes appropriate determinations on validating capability documents, which hinders informed decision making about capability needs and development.

Recommendations

Recommendation 1: We recommend the Senior Official Performing the Duties of the Deputy Secretary ensure the Joint Requirements Council follows the responsibilities put forth in its charter, including adhering to the operating procedures provided in appropriate management directive(s) and explained in detail in accompanying instruction manual(s).

Recommendation 2: We recommend the Senior Official Performing the Duties of the Deputy Secretary require the Joint Requirements Council to update the JRIMS manual to include all criteria the Council intends to hold components responsible for meeting and to remove unnecessary criteria.

Recommendation 3: We recommend the Senior Official Performing the Duties of the Deputy Secretary require the Joint Requirements Council to develop and implement internal standard operating procedures for analysts to follow when reviewing components' capability documents.

Recommendation 4: We recommend the Senior Official Performing the Duties of the Deputy Secretary require Joint Requirements Council staff to document the decision-making process for the capability document review, including comment resolution and validation justification.

Management Comments and OIG Analysis

The Department concurred with all four of our recommendations. We have included a copy of the management comments in their entirety in appendix B. The Department stated that it remains committed to providing its components with consistent, but rigorous, review and analysis to facilitate informed decision making about whether components are making adequate assessments of capability needs.

Although the Department concurred with our recommendations, it raised an issue as to whether our report was representative of today's JRC JRIMS process. We acknowledge our report did not include a review and evaluation of JRC's Knowledge Management Decision Support (KMDS), revised JRIMS manual, and newly developed SOPs. However, KMDS was a new system that had not been implemented long enough during our fieldwork to render an opinion on its effectiveness. Our scope of work did take into consideration the reinvigoration of the JRC process and included any activities taking place during our review and after. We believe, if we were to start this audit today, the results of review would not be significantly changed because the revised instruction manual and SOPs were issued/developed in September 2018.

In addition, the Department provided technical comments to our draft. We evaluated those comments and made necessary changes where appropriate.

Response to Recommendation 1: Concur. The Department stated that the Director of JRC continues to drive collaboration and integration in component capability planning and investment as presented in the charter and appropriate management directives. Since JRIMS' inception in early 2016, JRC has analyzed and validated more than 237 requirements documents, representing a data pool nearly 400 percent larger than when this audit was initiated in November 2016. Since the audit began, policies and procedures have also been improved and/or implemented to ensure enterprise-wide consistency in the submission, analysis, and validation of JRIMS documents. For example, KMDS, an online process automation tool, was fielded in May 2017 to facilitate the processing, coordination, tasking, and archiving of documents for the JRIMS process. The Department stated that the actions delineated in response to the following three recommendations also directly support the furtherance of this recommendation action and requested that OIG consider this recommendation resolved and closed, as implemented.

OIG Analysis: The Department's corrective action does not address the intent of the recommendation. The Department describes actions taken to improve the JRIMS process. However, the Department does not outline in its response any actions taken that provide assurance JRC is adhering to the operating procedures provided in appropriate management directive(s) and explained in detail in accompanying instruction manual(s). Until the Department can provide documentation that JRC is following its JRIMS manual, such as results from an internal review, this recommendation is considered open and unresolved.

Response to Recommendation 2: Concur. The Department stated that in 2018, JRC updated and streamlined the JRIMS manual by consolidating the

coordination process for JRIMS documents, renaming the checklists as scorecards and revising them to identify the key criteria components are responsible for achieving, and removing document templates (now hosted on the JRC's external facing SharePoint site). This planned update incorporated and addressed many of the audit team's insights, observations, and draft recommendations at the time. The updated JRIMS manual was approved and signed by the acting JRC chairman on September 20, 2018. A copy of the updated manual has been provided to OIG under separate cover. The Department requested that OIG consider this recommendation resolved and closed, as implemented.

OIG Analysis: The Department's corrective action is responsive to the recommendation. JRC provided a copy of the revised JRIMS manual, which includes criteria it intends to hold components responsible for meeting and removed unnecessary criteria. Therefore, this recommendation is closed.

Response to Recommendation 3: Concur. The Department stated that in September 2018, JRC's analysis team developed and implemented an internal SOP, which has minimized inconsistencies in applying JRIMS key criteria. A copy of the SOP has been provided to OIG under separate cover. The Department requested that OIG consider this recommendation resolved and closed, as implemented.

OIG Analysis: The Department's corrective action is responsive to the recommendation. JRC provided a copy of its internal SOP for analysts to follow when reviewing components' capability documents. Therefore, this recommendation is closed.

Response to Recommendation 4: Concur. The Department stated that as part of the maturation of the JRC and JRIMS processes (i.e., improved procedures and execution), and outlined in JRC's internal SOP, all capability analysis-related comments, adjudication actions, and decisions are now captured in comment resolution matrices and associated validation memos, and archived in the KMDS system. KMDS also collects key information on the document, sponsor, and subject matter to allow users to perform advanced searches for similar analysis and studies existing within the system. This visibility helps to inform new submissions and encourages collaboration when efforts are similar across components. In addition to improved cross-component visibility through KMDS, sponsors are able to check document status in real time, and receive notifications and tasks on personalized dashboards within the tool. Since implementation in May 2017, documents submitted in KMDS are archived to provide a complete collection of submissions along with detailed document histories. The Department

requested that OIG consider this recommendation resolved and closed, as implemented.

OIG Analysis: The Department's corrective action is responsive to the recommendation. JRC provided copies of examples in which JRC staff documented their decision-making process in a CRM and validation memo. Therefore, this recommendation is closed.

Appendix A
Objective, Scope, and Methodology

DHS OIG was established by the *Homeland Security Act of 2002,* Pub. L. No. 107−296, by amendment to the *Inspector General Act of 1978.*

Our objective was to determine to what extent the Department and its components have controls in place to identify capability needs prior to acquiring goods and services. The scope of our audit included reviewing component-generated capability documents that go through the JRIMS process, supporting documentation for decisions, and validation determinations. We reviewed capability documents that serve as means for sponsors to document needed capabilities and gaps, along with identification of capability redundancies, overlaps, and fragmentations. These documents include the capability analysis study plan, capability analysis report, mission need statement, concept of operations, operational requirements document, and urgent operational need (see appendix C for a detailed explanation of each capability document).

We reviewed capability documents JRC validated from July 1, 2016, through December 22, 2016. We also reviewed documents that were earlier than this date range if the out-of-scope document was for a program that had additional capability documents within the scope of the audit. The OIG team reviewed available JRC scorecards for each capability document, CRM, and key questions JRC established.

We identified and reviewed pertinent Federal regulations, as well as departmental policies, procedures, and directives. We used the *Management Directive for Joint Requirements Integration and Management System* (Management Directive 107-01) and the *Department of Homeland Security Manual for the Operation of the Joint Requirements Integration and Management System* (DHS Instruction Manual 107-01-001-01) for the criteria. In addition, we conducted interviews with staff from the following agencies and components:

- U.S. Customs and Border Protection
- Domestic Nuclear Detection Office (This office was consolidated into the Countering Weapons of Mass Destruction Office in December 2017)
- Federal Emergency Management Agency
- U.S. Government Accountability Office
- U.S. Immigration and Customs Enforcement
- Joint Requirements Council
- National Protection and Programs Directorate
- Office of the Chief Information Officer

- Office of the Chief Security Officer
- Office of Health Affairs
- Office of Program Accountability and Risk Management
- Transportation Security Administration
- United States Coast Guard
- United States Secret Service

We obtained a list of capability documents from JRC. The list included 57 documents for 38 programs. This was the best information available for the audit; and therefore, we could not verify the universe. Based on our testing of the capability document information, we found it to be sufficient and reliable to support our findings for this audit. Our judgmental sample was selected from component-submitted capability analysis study plans and validated capability documents from July 1, 2016, through December 22, 2016. Documents earlier than this date range were added if there were one or more documents for the same program that fell within the selected dates. This yielded an initial judgmentally selected sample of 44 documents for 24 programs.

The OIG statistician provided a methodology for the audit team to further refine the judgmental sample size. We reviewed all 31 documents to ensure that related documents within a program were consistent with each other. We then removed capability analysis study plans from our final review because even though JRC reviews them, they are not validated by JRC. We also removed documents that were validated before JRIMS was signed (figure 3 depicts the progression of the OIG sample).

Figure 3: OIG Sample Reviewed

Sample	Documents	Programs
All Documents	57	38
Initial Sample	44	24
Refined Sample[3]	31	16
After Removal of Capability Analysis Study Plans	23	12
After Removal of Pre-JRIMS Documents	19	12
OIG Final Sample	**19**	**12**

The final judgmentally selected sample we tested included 19 capability documents for 12 programs. We compared the capability documents to JRIMS to determine whether they met the JRC-established criteria. We then compared

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[3] The sample was further reduced; however, all 31 documents were reviewed for consistency prior to removing capability analysis study plans and pre-JRIMS documents.

JRC scorecards to CRM to determine whether issues other components raised matched what JRC analysts flagged and whether the issues were resolved. Lastly, we reviewed the capability documents to make sure they addressed JRC's key questions. Follow-up interviews with JRC and components were conducted as needed.

We conducted this performance audit between November 2016 and April 2018 pursuant to the *Inspector General Act of 1978,* as amended, and according to 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 upon our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objectives.

Appendix B
Management Comments to the Draft Report

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

Homeland
Security

December 6, 2018

MEMORANDUM FOR: John V. Kelly
Senior Official Performing the Duties of the
 of the Inspector General
Office of the Inspector General

FROM: Jim H. Crumpacker, CIA, CFE
Director
Departmental GAO-OIG Liaison Office

SUBJECT: Management Response to Draft Report: "DHS Needs to
Improve the Process for Identifying Acquisition Planning
Capability Needs" (Project No. 17-012-AUD-DHS)

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

The Department is pleased to note OIG's positive recognition related to the DHS Joint
Requirements Council (JRC) establishment of the Joint Requirements Integration and
Management System (JRIMS) process, which provides guidance to identify required
capabilities, gaps, and opportunities for joint efforts found in capability needs documents.
In addition, the OIG found that DHS has controls in place to prevent components from
circumventing the JRIMS process for identifying capability needs before acquiring goods
and services. DHS remains committed to providing its components with consistent, but
rigorous review and analysis, to facilitate informed decision-making about whether
components are making adequate assessments of capability needs.

It is important to note, however, that the OIG's audit was conducted between November
2016 and April 2018, and documents reviewed were primarily from the July-December
2016 time period, more than two years ago. As a result, the OIG's report is not
representative of today's JRC JRIMS process as it did not include an assessment of
policies and processes, nor fully consider the maturation and additional improvements
made since the early days of when the JRIMS process development began.

The draft report contained four recommendations with which the Department concurs. Attached find our detailed response to each recommendation. Technical comments were previously provided under separate cover.

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

Sincerely,

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

Attachment

2

**Attachment: Management Response to Recommendations
Contained in 17-012-AUD-DHS**

The OIG recommended that the Acting Deputy Secretary of Homeland Security:

Recommendation 1: Ensure the Joint Requirements Council follows the responsibilities put forth in its charter, including adhering to the operating procedures provided in appropriate management directive(s) and explained in detail in accompanying instruction manual(s).

Response: Concur. The Director of the JRC continues to drive collaboration and integration in Component capability planning and investment as presented in charter and appropriate management directives. Since the JRIMS inception in early 2016, the JRC has analyzed and validated more than 237 requirements documents, representing a data pool nearly 400 percent larger than when this audit was initiated in November 2016. Since the audit began, policies and procedures have also been improved and/or implemented to ensure enterprise-wide consistency in the submission, analysis and validation of JRIMS documents. For example, the Knowledge Management Decision Support (KMDS), an online process automation tool, was fielded in May 2017 to facilitate the processing, coordination, tasking, and archiving of documents for the JRIMS process. The actions delineated in response to the following three recommendations also directly support the furtherance of this recommendation action.

We request that OIG consider this recommendation resolved and closed, as implemented.

Recommendation 2: Require the Joint Requirements Council to update the JRIMS manual to include all criteria the Council intends to hold components responsible for meeting and to remove unnecessary criteria.

Response: Concur. In 2018, the JRC updated and streamlined the JRIMS manual by consolidating the coordination process for JRIMS documents, renaming the checklists as scorecards and revising them to identify the key criteria components are responsible for achieving, and removing document templates (now hosted on the JRC's external facing SharePoint site). This planned update incorporated and addressed many of the audit team's insights, observations, and draft recommendations at the time. The updated JRIMS manual was approved and signed by the acting JRC chairman on September 20, 2018. A copy of the updated manual has been provided to the OIG under separate cover.

We request that OIG consider this recommendation resolved and closed, as implemented.

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Recommendation 3: Require the Joint Requirements Council to develop and implement internal standard operating procedures for analysts to follow when reviewing components' capability documents.

Response: Concur. To ensure each JRC analyst is following a standardize methodology and providing consistent feedback to components on their JRIMS documents, during September 2018 the JRC's analysis team developed and implemented an internal standard operating procedure (SOP) which has minimized inconsistencies in applying JRIMS key criteria. A copy of the SOP has been provided to the OIG under separate cover.

We request that OIG consider this recommendation resolved and closed, as implemented.

Recommendation 4: Require the Joint Requirements Council Staff to document the decision-making process for the capability document review, including comment resolution and validation justification.

Response: Concur. As part of the maturation of the JRC and JRIMS processes (i.e., improved procedures and execution), and outlined in the JRC's internal SOP, all capability analysis related comments, adjudication actions, and decisions are now captured in comment resolution matrixes and associated validation memos, and archived in the KMDS system. KMDS also collects key information on the document, sponsor, and subject matter to allow users to perform advanced searches for similar analysis and studies existing within the system. This visibility helps to inform new submissions, and encourages collaboration when efforts are similar across components.

In addition to improved cross-component visibility through KMDS, sponsors are able to check document status in real time, and receive notifications and tasks on personalized dashboards within the tool. Since implementation in May 2017, documents submitted in KMDS are archived to provide a complete collection of submissions along with detailed document histories. JRC staff are available to provide OIG staff a walkthrough of the KMDS upon request.

We request that OIG consider this recommendation resolved and closed, as implemented.

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Appendix C
Terminology and Definitions of Capability Documents

Terminology	Definition	Validated by JRC
Capability Analysis Study Plan	Provides official notice to JRC and stakeholders that a sponsor is initiating a capability analysis. It provides greater visibility into ongoing studies and assessments, encourages collaboration, leverages existing efforts, and eliminates unnecessary duplication of current study efforts.	No
Capability Analysis Report (CAR)	Documents the results of a sponsor-conducted capability assessment of the Department's ability to accomplish a mission, objective, or function. It provides traceability between strategic guidance; operational missions, objectives, or function; threat and hazards; and requirements. CAR identifies capability gaps, redundancies, and overlaps as well as recommendations for materiel and non-materiel fulfillment solution approaches.	Yes
Mission Need Statement	Provides a formal description of the top-level need for a capability (both information technology [IT] and non-IT) and links the gap in mission capability to the potential acquisitions that fill that gap.	Yes
Concept of Operations	Describes a proposed asset, system, or capability in terms of the user needs it will fulfill, its relationship to existing assets, systems, capabilities or procedures, and the ways it is used in actual operations or business processes. It identifies the asset, system, or capability characteristics from the viewpoint of any individual or organizational entity that uses, or who operates, or interacts directly with it.	Yes
Operational Requirements Document	Identifies and provides a number of performance parameters that need to be met by a program to provide useful capability to the user, thus acting to close the capability gap(s) identified in the mission need statement.	Yes
Scorecard	A checklist used by JRC analysts to review capability documents and identify missing critical criteria specified in the Joint Requirements Integration and Management System instruction manual as "met" or "not met" per JRC standards.	Not Applicable

Terminology	Definition	Validated by JRC
Comment Resolution Matrix (CRM)	Matrix provided during the comment adjudication period which contains comments from JRC and components for the sponsor to adjudicate prior to JRC validation of document.	Not Applicable
Director of Analysis Recommendation Memorandum	Internal JRC memorandum signed by the Director of Analysis after review of capability document approving document for validation. The memorandum outlines JRC equities identified in the document, including jointness, traceability, feasibility, cost informed, duplicative, and cybersecurity.	Not Applicable
JRC Validation Memorandum	Documents the validation decisions, which are signed by the JRC Director or Chairperson. A validation memorandum indicates JRC's approval of the capability document. A capability document without the associated validation memorandum is considered a draft and not usable for follow-on activities.	Not Applicable
Capability	Means to accomplish a mission, function, or objective.	Not Applicable
Capability Gap	Capability required by the Department of Homeland Security (DHS) and/or its stakeholders/partners to perform a mission, function, or objective; but, they do not currently possess it, and there are no plans for it to be provided by existing programs.	Not Applicable
Capability Redundancy	Instances in which additional or alternative capabilities exist across DHS that maintain a degree of overall functionality in case of loss or failure of another, but may, following analysis of required capability, provide opportunities for efficiencies across the Department.	Not Applicable
Capability Overlap	Instances in which multiple DHS components have capabilities with similar goals, support similar activities, or target similar mission needs.	Not Applicable
Capability Fragmentation	Instances in which capabilities are manifested in multiple DHS components to meet the same need and in which opportunities exist to more efficiently meet missions, functions, or objectives.	Not Applicable

Appendix D
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Appendix E
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