



# U.S. DEPARTMENT OF HOMELAND SECURITY

AGENCY FINANCIAL REPORT FY 2023

DEFENDING THE HOMELAND



YEARS OF DHS

# DHS@20

The threats to our homeland have evolved over the 20 years of the Department of Homeland Security (DHS). One constant is the legacy of service of our workforce. They've delivered results for America every day since 2003 and continue to contribute to a safer tomorrow for all Americans.

Over the past 20 years, the threat landscape has evolved. While we continue to face the threat of international terrorism, new threats and challenges have emerged, including increasing incidents of targeted violence, cyberattacks and several natural disasters, as well as the unprecedented level of migration in our hemisphere. The 260,000-strong DHS workforce uses its skills and expertise to meet the challenges of today's world and prepare for the threats of tomorrow, responding with new programs and capabilities, cross-component collaboration, and unflinching dedication to the mission.

Today, DHS spans over two dozen agencies and offices that work collaboratively to protect the American public in the air by securing air travel; on land by securing the border, responding to natural disasters, protecting critical infrastructure, and administering our nation's legal immigration system; at sea by protecting our coastline and waterways; and in cyberspace by bolstering America's cyber defense and investigating cybercrime.



2003-2023

# Celebrating 20 Years of DHS



2001

**September 11**

The deadliest terrorist attacks in American history occurs. Two hijacked planes crashed into both towers at the World Trade Center in New York City. Another hijacked plane flew into the Pentagon in Washington, DC. A final hijacked plane, presumed to fly into either the White House or U.S. Capitol, was overtaken by heroic passengers and crashed into a field in Pennsylvania.

**September 22**

Eleven days after the 9/11 terrorist attacks, Pennsylvania Governor Tom Ridge was appointed as the first Director of the Office of Homeland Security in the White House. This office oversaw and coordinated a comprehensive national strategy to safeguard the country against terrorism and respond to any future attacks.

The following timeline highlights how DHS was created, along with other key milestones, and displays critical inflection points in the Department's history of creating a strengthened homeland security enterprise and a more secure America better prepared to confront the range of threats we face.



Timeline continues on following pages. →

**June**

The Department of Homeland Security seal was created and is symbolic of the Department's mission to prevent attacks and protect Americans on the land, in the sea, and in the air.

**March 1**

22 agencies were unified under a single Department with a common mission: to safeguard the American people.

2002



**June**

President George W. Bush proposed to create the

Department of Homeland Security. The President's proposal to create a new Department of Homeland Security was the most significant transformation of the U.S. government in over a half-century by transforming and realigning a wide range of government activities into a single department whose primary mission is to protect our homeland.

2003



**January 24**

The Department of Homeland Security officially began operations, but most of the Department's component agencies were not transferred into the new Department until March 1.

**November 25**

The Homeland Security Act of 2002 passed by Congress and created DHS. No fewer than 22 agencies were absorbed and combined to create the new Department.

2004

February

The National Incident Management System (NIMS) was created. The purpose of NIMS was to provide a consistent incident management approach for federal, state, local, and tribal governments.



2007

August

President George W. Bush signed the 9/11 Commission Act which established the Homeland Security Grant Programs, authorized the creation of fusion centers, modernized the Visa Waiver Program, and established the National Biosurveillance Integration Center.

2008

July

The first of the U.S. Coast Guard (USCG) National Security Cutters (NSCs) launches.



Second only in size and technological advancement to USCG's research icebreaker, the NSCs enhanced USCGs capacity and capability in even the most demanding maritime environments.

2009

January

The Transportation Security Administration (TSA) begins implementation of Secure Flight, a risk-based passenger prescreening program that enhances security by identifying low and high-risk passengers before they arrive at the airport by matching information of all travelers against trusted traveler lists and other government watch lists.



April

DHS launched the National Terrorism Advisory System, which replaced the color-coded Homeland Security Advisory System to provide the public with details about imminent threats and the threat landscape.

July

The U.S. Secret Service (USSS) expands its fight on cybercrime by creating the first European Electronic Crime Task Force (ECTF) in Rome, Italy. Based on the successful



U.S. domestic model, this network of public-private partnerships is dedicated to fight high-tech, computer-based crimes.

March

The DHS Science and Technology Directorate's (S&T) Next Generation Incident Command System (NICS) was deployed at the 2011 Los Angeles Marathon. Used today by North Atlantic Treaty Organization (NATO) partners, NICS continues to enhance the efficiency and effectiveness of worldwide humanitarian assistance and disaster relief.

2010

July

DHS launched two national awareness campaigns – "If You See Something, Say Something" and "Blue Campaign" – to encourage the public to report suspicious activity to stop terrorist threats and to educate the public on human trafficking.



2011

## 2018



**June**

The Deferred Action for Childhood Arrivals Program is created and is managed by U.S. Citizenship and Immigration Services (USCIS).

**October**

Congress provides the Federal Emergency Management Agency, (FEMA) with expanded authorities by enacting the Disaster Recovery Reform Act of 2018. Following a historic Atlantic hurricane season and extreme wildfire disasters in 2017, emergency management was transformed and focused efforts to build a culture of preparedness, ready the nation for catastrophic disasters, and reduce FEMA's complexity.



## 2012



**December**

TSA PreCheck is initiated, which allows vetted members of the public to receive expedited screening at select airports nationwide.

**November**

The Cybersecurity and Infrastructure Security Agency (CISA) Act of 2018 is signed into law, elevating the mission of the former DHS National Protection and Programs Directorate and establishing CISA.



**December**

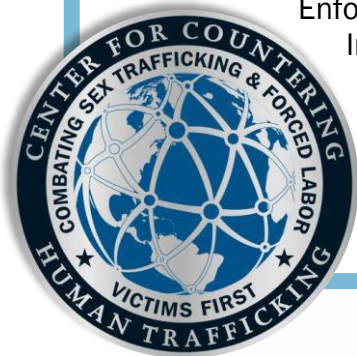
The Countering Weapons of Mass Destruction (CWMD) Office is established by Congress to elevate, consolidate, and streamline the DHS efforts to protect the homeland from chemical, biological, radiological, and nuclear threats.



**October**

DHS launches the Center for Countering Human Trafficking (CCHT). Led by U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI)—and capitalizing on HSI's operational expertise in human trafficking and forced labor fraud investigations—the CCHT utilizes a whole-of-government approach to combat these crimes.

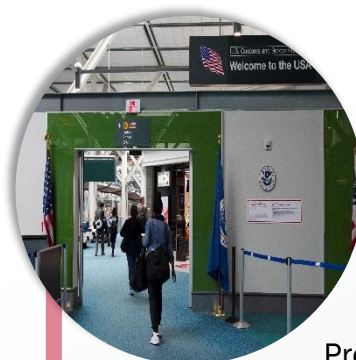
## 2020



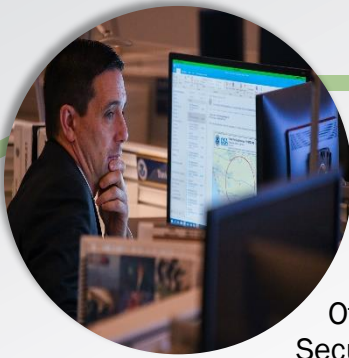
## 2021

**March**

U.S. Customs and Border Protection (CBP) reports record-breaking jumps in the number of migrants encountered on the U.S. Southwest Border (SWB), with significant changes in migratory patterns and the demographic makeup of migrants arriving on our border. This pattern largely continues today.



2023



### February

The DHS Office of Operations Coordination reorganizes as the Office of Homeland Security Situational Awareness (OSA). OSA, along with DHS Intelligence and Analysis (I&A), provides information daily to DHS leaders and partners.

### March 1

DHS celebrates its 20<sup>th</sup> anniversary. Formed out of the tragedy of 9/11, and with an unshakeable resolve to the mission to secure our country and protect the American people, DHS continues its work to make America safer, stronger, and better prepared to meet whatever threat we face.



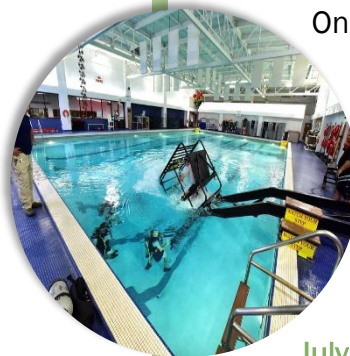
### September

DHS launches the Law Enforcement Coordination Council (LECC). The LECC is Department's first unified law enforcement coordination body, designed to comprehensively assess a broad range of law enforcement matters including its law enforcement policies and training. The LECC coordinates closely with partners across every level of government, as well as with other key stakeholders.

### April

S&T is recognized by the National Association of Government Communicators (NAGC) with a Blue Pencil & Gold Screen Award of Excellence in podcasting.

On the Technologically Speaking Podcast, S&T invites listeners to take a deep dive into the science of homeland security and meet the experts on the frontlines of keeping America safe.



### July

The Federal Law Enforcement Training Centers (FLETC) celebrates its 53<sup>rd</sup> anniversary. FLETC partners with 125 different federal agencies to provide the services, facilities, infrastructure, and training needed to ensure over 20,000 federal law enforcement officers can begin their jobs each year.

### August

Operation Allies Welcome is launched and directed DHS to

lead federal efforts to support Afghan nationals as they arrived and resettled in the United States.

### OPERATION ALLIES WELCOME

DHS is leading federal efforts to resettle vulnerable Afghans

## Today, DHS will...

Every day, the 260,000 employees of the Department of Homeland Security carry out the DHS mission—safeguarding the American people, our homeland, and our values with honor and integrity—in cyberspace, in the air, on land, and at sea. [Read more here.](#)



# Connect with DHS

## Social Media

DHS has multiple social media platforms that allow citizens to keep informed about homeland security issues and activities the Department is taking to make America safe.



<https://www.dhs.gov/facebook>



<https://www.dhs.gov/twitter>



<https://www.dhs.gov/instagram>



<https://www.dhs.gov/linkedin>



<https://www.dhs.gov/flickr>



<https://www.dhs.gov/youtube>

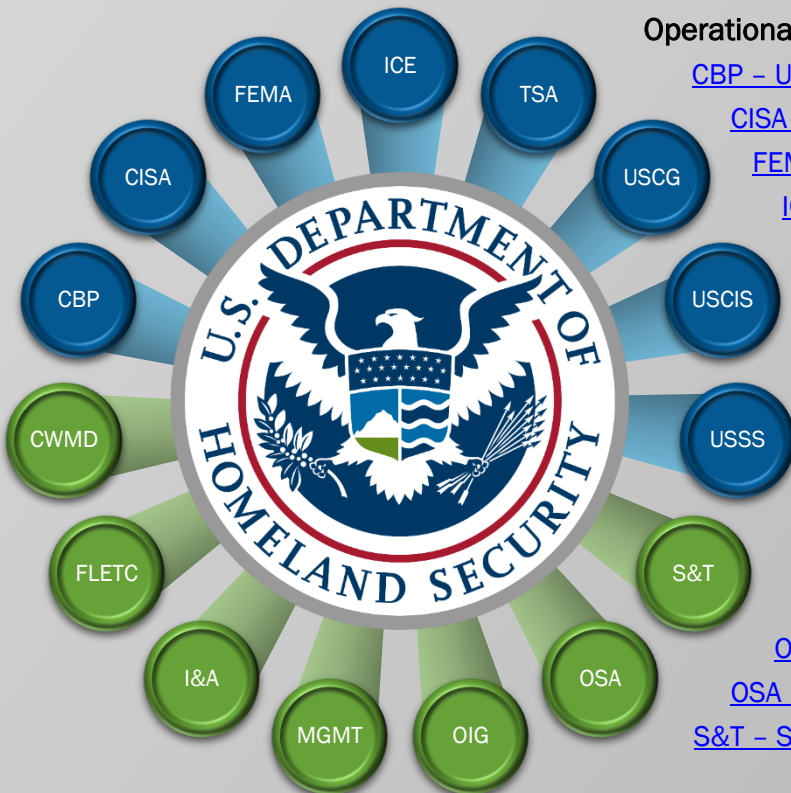


<https://public.govdelivery.com/accounts/USDHS/subscriber/new>

For more information,  
please scan the QR code  
and visit DHS.gov

## DHS Components

DHS's Operational Components (**shaded in blue**) lead the Department's operational activities to protect our Nation. The DHS Support Components (**shaded in green**) provide mission support and business support activities to ensure the operational organizations have what they need to accomplish the DHS mission. Click on the Component links to find out more about DHS and the Components that execute and support the mission. For the most up to date information on the Department's structure and leadership, visit our website at <https://www.dhs.gov/organization>



### Operational Components

[CBP – U.S. Customs and Border Protection](#)

[CISA – Cybersecurity and Infrastructure Security Agency](#)

[FEMA – Federal Emergency Management Agency](#)

[ICE – U.S. Immigration and Customs Enforcement](#)

[TSA – Transportation Security Administration](#)

[USCG – U.S. Coast Guard](#)

[USCIS – U.S. Citizenship and Immigration Services](#)

[USSS – U.S. Secret Service](#)

### Support Components

[CWMD – Countering Weapons of Mass Destruction Office](#)

[FLETC – Federal Law Enforcement Training Centers](#)

[I&A – Office of Intelligence and Analysis](#)

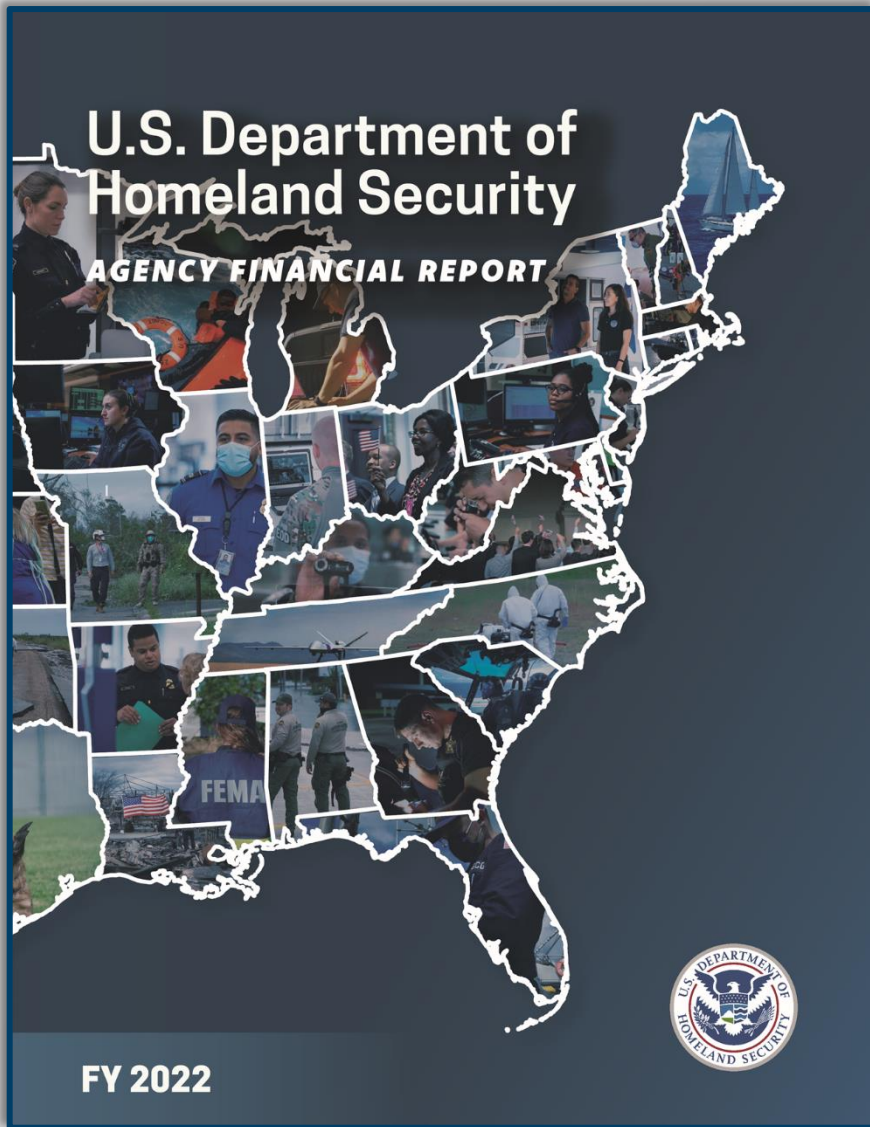
[MGMT – Management Directorate](#)

[OIG – Office of Inspector General](#)

[OSA – Office of Homeland Security Situational Awareness](#)

[S&T – Science and Technology Directorate](#)

# Certificate of Excellence in Accountability Reporting



In May 2023, DHS received its tenth consecutive Certificate of Excellence in Accountability Reporting (CEAR) from the Association of Government Accountants (AGA) for its Fiscal Year (FY) 2022 Agency Financial Report.

The [CEAR Program](#) was established by the AGA, in conjunction with the Chief Financial Officers Council and the Office of Management and Budget, to further performance and accountability reporting. [AGA](#) is an association for professionals that work in the areas of financial management, accounting, auditing, IT, budgeting, policy, grants management, performance management, and other business operations areas to help government work more efficiently and effectively.





2003-2023



# About This Report

The U.S. Department of Homeland Security's Agency Financial Report for FY 2023 presents the Department's detailed financial information relative to our mission and the stewardship of those resources entrusted to us. It also highlights the Department's priorities, strengths, and challenges in implementing programs to enhance the safety and security of our Nation.

For FY 2023, the Department's Performance and Accountability Reports consist of the following two reports:

- DHS Agency Financial Report | Publication date: November 15, 2023
- DHS Annual Performance Report | Publication date: February 5, 2024. This report is submitted with the Department's Congressional Budget Justification.

When published, both reports will be located on our public website at:

<https://www.dhs.gov/performance-financial-reports>

#### Contact Information

For more information, contact:

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Office of the Chief Financial Officer  
Office of Program Analysis and Evaluation  
6595 Springfield Center Drive  
Springfield VA 22150

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This report is available at: <http://www.dhs.gov/performance-accountability>

# Message from the Secretary

November 14, 2023



I am pleased to present the Department of Homeland Security's (DHS) Agency Financial Report for Fiscal Year 2023. This report provides a detailed assessment of the Department's financial status and demonstrates how the resources entrusted to us were used to support our homeland security mission.

The world today is more interconnected than at any time in our Department's 20-year history. As such, our homeland security has evolved in ways we could not have predicted years ago. Longstanding imperatives to counter terrorist threats, secure cyber networks, administer the immigration system, and secure our borders have seen changes in the nature of the threats and challenges involved. At the same time, new threats and challenges have emerged, including changes in global migration, human trafficking, domestic violent extremism, strategic competition from nation states, wide-ranging cyber threats, impacts of climate change, emerging infectious diseases, and transnational organized crime.

Challenges to securing the homeland are also increasingly cross-cutting, often requiring more frequent coordination across the homeland security enterprise. Today, DHS spans over two dozen agencies and offices that work collaboratively to protect the American public in the air by securing air travel; on land by securing the border, responding to natural disasters, protecting critical infrastructure, and administering our nation's legal immigration system; at sea by protecting our coastline and waterways; and in cyberspace by bolstering America's cyber defense and investigating cybercrime. The 260,000-strong DHS workforce uses its skills and expertise to meet the challenges of today's world and prepare for the threats of tomorrow. Additionally, DHS continues to coordinate with our federal, state, local, tribal, territorial, and private sector partners. These beneficial relationships, as well as the maturation of the Department and its ability to work with our partners, has better enabled DHS to address the most significant threats facing the homeland than at any point in our 20-year history.

Over the past 20 years, DHS has made considerable progress in transforming original Component agencies into a single cohesive Department. This includes strengthening financial controls and modernizing our business systems. The areas of material weakness in internal controls identified in the Independent Auditors' Report signify that more work is still to be done. DHS will continue to sustain existing programs, in conjunction with broader efforts that contribute to strong and efficient management functions. However, as indicated by our 11<sup>th</sup> consecutive clean audit opinion for all five financial statements, DHS has proven its capacity and capability for strong financial reporting and management.

As Secretary, I have seen firsthand how the personnel of DHS steadfastly serve the nation. Our commitment to serve the American public is unwavering. The information in the Department's performance and accountability reports is complete and reliable, except as otherwise reported in our Annual Performance Report. DHS's performance and accountability reports for this and previous years are available on our public website: <https://www.dhs.gov/performance-financial-reports>

We have much more to do, and we will succeed because of the immeasurable dedication and talent of the DHS workforce.

I am privileged to support our mission and those who enable it, and I am proud of what we have achieved. I look forward to the Department's accomplishments in the years to come.

Sincerely,

A handwritten signature in blue ink that reads "Alejandro N. Mayorkas". The signature is fluid and cursive, written over a white background.

Alejandro N. Mayorkas  
Secretary of Homeland Security



# Management's Discussion and Analysis

# The Management’s Discussion and Analysis is required supplementary information to the financial statements included in this report and provides a high-level overview of DHS.

After a brief introduction, the **Our Organization** section displays the Department’s organization with links to the Department’s Components.

The **DHS Missions and Objectives** section presents the Department’s strategic structure.

The **Summary of Performance Results** section presents the Department’s preliminary performance results for FY 2023 and describes the Department’s approach to performance management. Final results will be published in the Department’s FY 2023-2025 APR.

The **Agency Priority Goals** section highlights key initiatives for the Department.

The **Missions Highlights** section provides a summary of progress for each of the Department’s Missions, along with selected accomplishments, key performance measures, and future initiatives to strengthen the Department’s efforts in achieving a safer and more secure Nation.

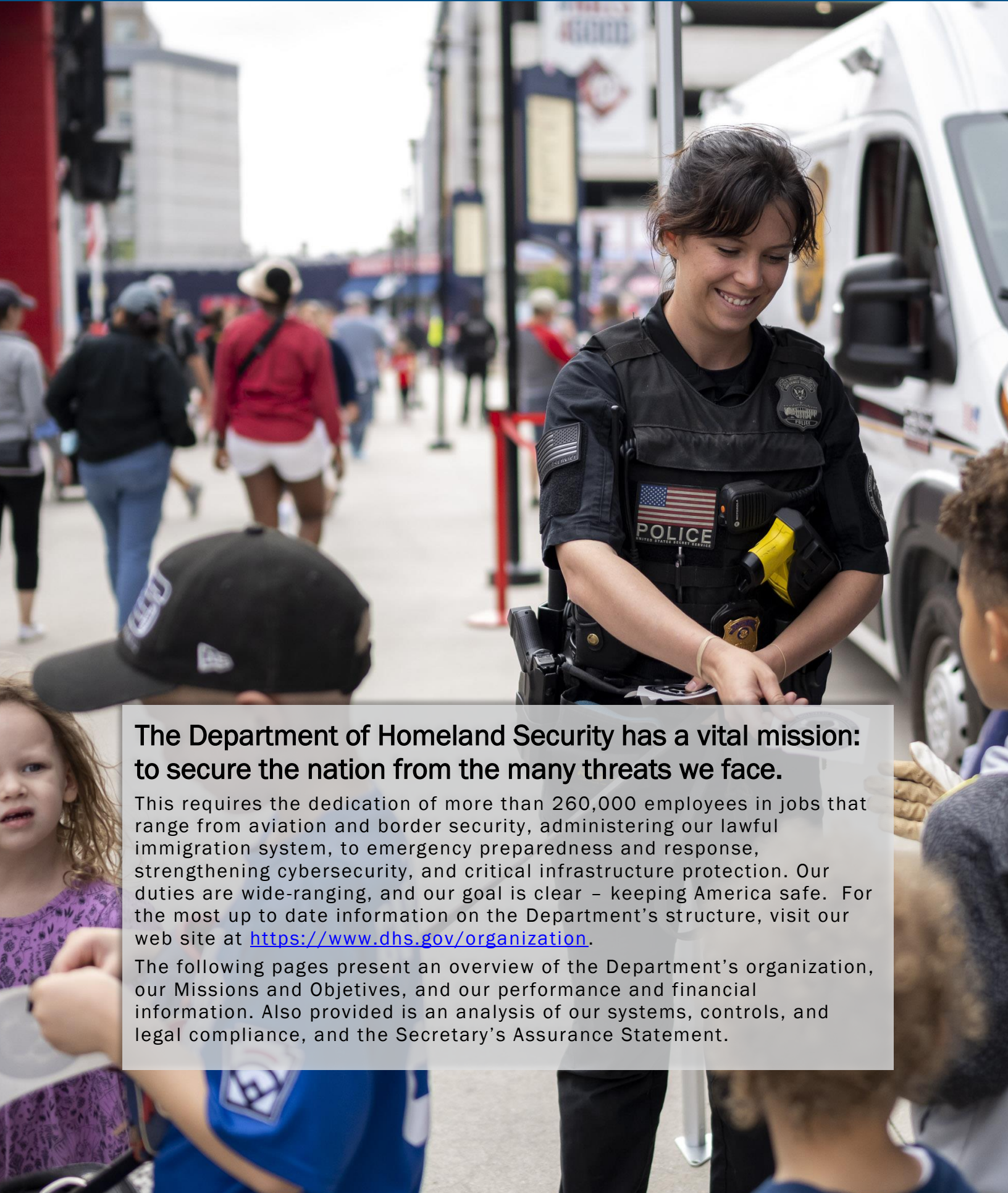
The **Financial Overview** section provides a summary of DHS’s financial data explaining the major sources and uses of funds and provides a quick look at our Balance Sheets, Statements of Net Cost, Statements of Changes in Net Position, Statements of Budgetary Resources, and Statements of Custodial Activity.

The **Analysis of Systems, Controls, and Legal Compliance** section provides the **Secretary’s Assurance Statement** related to the Federal Managers’ Financial Integrity Act, the Federal Financial Management Improvement Act, and the Department of Homeland Security Financial Accountability Act. This section also describes the Department’s efforts to address our financial management systems to ensure systems comply with applicable accounting principles, standards, requirements, and with internal control standards.

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# Introduction



**The Department of Homeland Security has a vital mission: to secure the nation from the many threats we face.**

This requires the dedication of more than 260,000 employees in jobs that range from aviation and border security, administering our lawful immigration system, to emergency preparedness and response, strengthening cybersecurity, and critical infrastructure protection. Our duties are wide-ranging, and our goal is clear – keeping America safe. For the most up to date information on the Department’s structure, visit our web site at <https://www.dhs.gov/organization>.

The following pages present an overview of the Department’s organization, our Missions and Objectives, and our performance and financial information. Also provided is an analysis of our systems, controls, and legal compliance, and the Secretary’s Assurance Statement.

# Organization

Below is a listing and description of the Components of DHS.

## Operational Components

### [Customs and Border Protection \(CBP\)](#)

CBP is one of the world's largest law enforcement organizations and is charged with keeping terrorists and their weapons out of the U.S. while facilitating lawful international trade and travel.



### [Cybersecurity and Infrastructure Security Agency \(CISA\)](#)

CISA leads the national effort to understand, manage, and reduce risk to our cyber and physical infrastructure.



### [Federal Emergency Management Agency \(FEMA\)](#)

FEMA helps people before, during, and after disasters. FEMA does this by supporting our citizens and first responders to ensure that, as a Nation, we work together to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards.



## FEMA

### [U.S. Immigration and Customs Enforcement \(ICE\)](#)

ICE promotes homeland security and public safety through the criminal and civil enforcement of federal laws governing border control, customs, trade, and immigration.



## U.S. Immigration and Customs Enforcement

### [Transportation Security Administration \(TSA\)](#)

TSA protects the Nation's transportation systems to ensure freedom of movement for people and commerce.



### [U.S. Coast Guard \(USCG\)](#)

USCG is one of the six military services, one of the eight uniformed services of the United States and the only component within DHS that has both military and law enforcement duties.



### [U.S. Citizenship and Immigration Services \(USCIS\)](#)

USCIS administers the Nation's lawful immigration system, safeguarding its integrity and promise by efficiently and fairly adjudicating requests for immigration benefits while protecting Americans, securing the homeland, and honoring our values.



## U.S. Citizenship and Immigration Services

### [U.S. Secret Service \(USSS\)](#)

USSS has an integrated mission of protecting national leaders, visiting heads of state and government, designated sites, and National Special Security Events, as well as safeguarding the Nation's financial infrastructure and payment systems to preserve the integrity of the economy.





# Organization

## Support Components

### [Countering Weapons of Mass Destruction Office \(CWMD\)](#)

CWMD leads DHS efforts and coordinates with domestic and international partners to safeguard the United States against Chemical, Biological, Radiological, Nuclear, and health security threats.

### [Federal Law Enforcement Training Centers \(FLETC\)](#)

FLETC provides career-long training to law enforcement professionals to help them fulfill their responsibilities safely and proficiently.

### [Office of Intelligence and Analysis \(I&A\)](#)

I&A equips the Homeland Security Enterprise with the timely intelligence and information it needs to keep the homeland safe, secure, and resilient.

### [Management Directorate \(MGMT\)](#)

MGMT is responsible for budget, appropriations, expenditure of funds, accounting and finance; procurement; human resources and personnel; information technology systems; facilities, property, equipment, and other material resources; providing biometric identification services; and identification and tracking of performance measurements relating to the responsibilities of the Department.

### [Office of Inspector General \(OIG\)](#)

OIG was established by the Homeland Security Act of 2002 (P.L. 107-296) by an amendment to the Inspector General Act of 1978 (92 Stat. 1101). OIG has a dual reporting responsibility to the Secretary of DHS and to Congress. OIG serves as an independent and objective audit, inspection, and investigative body to promote economy, effectiveness, and efficiency in DHS programs and operations, and to prevent and detect fraud, waste, and abuse.

### [Office of Homeland Security Situational Awareness \(OSA\)](#)

OSA provides situational awareness, a common operating picture, and decision support for the homeland security enterprise on threats, incidents, hazards, and events impacting the homeland.

### [Science and Technology Directorate \(S&T\)](#)

S&T is the primary research and development arm of the Department. It provides federal, state, and local officials with the technology and capabilities to protect the homeland.



Countering Weapons of Mass Destruction



Federal Law Enforcement Training Centers



Intelligence and Analysis



Management Directorate



Office of Inspector General



Office of Homeland Security Situational Awareness



Science and Technology

# DHS Missions and Objectives

DHS is pleased to present an overview of its performance results aligned by the Third Quadrennial Homeland Security Review (QHSR).

Released in April 2023, the QHSR assesses the threats and challenges the Department faces today and into the future and lays out the approaches DHS and the homeland security enterprise are adopting to carry out its missions.<sup>1</sup> The QHSR reaffirms the five enduring homeland security missions – and adds a new sixth mission: Combat Crimes of Exploitation and Protect Victims. Overall, this strategic guidance and updated mission framework will inform existing Departmental processes for translating priorities into resources, including the DHS Strategic Plan and the annual budget development process.

## MISSION 1: COUNTER TERRORISM AND PREVENT THREATS

- 1.1 Collect, Analyze, and Share Actionable Intelligence and Information
- 1.2 Prevent and Disrupt Terrorist and Nation State Threats
- 1.3 Protect Leaders and Designated Individuals, Facilities, and Events
- 1.4 Identify and Counter Emerging and Chemical, Biological, Radiological, and Nuclear Threats

## MISSION 2: SECURE AND MANAGE OUR BORDERS

- 2.1 Secure and Manage Air, Land, and Maritime Borders
- 2.2 Expedite Lawful Trade and Travel
- 2.3 Counter Transnational Criminal Organizations and Other Illicit Actors

## MISSION 3: ADMINISTER THE NATION'S IMMIGRATION SYSTEM

- 3.1 Administer the Immigration System
- 3.2 Enforce U.S. Immigration Laws

## MISSION 4: SECURE CYBERSPACE AND CRITICAL INFRASTRUCTURE

- 4.1 Support the Cybersecurity of Federal Civilian Networks
- 4.2 Strengthen the Security and Resilience of Critical Infrastructure
- 4.3 Assess and Counter Evolving Cyber and Emerging Technology Risks
- 4.4 Combat Cybercrime

## MISSION 5: BUILD A RESILIENT NATION AND RESPOND TO INCIDENTS

- 5.1 Coordinate Federal Response to Incidents
- 5.2 Strengthen National Resilience
- 5.3 Support Equitable Community Recovery
- 5.4 Enhance Training and Readiness of First Responders

## MISSION 6: COMBAT CRIMES OF EXPLOITATION AND PROTECT VICTIMS

- 6.1 Enhance Prevention through Public Education and Training
- 6.2 Identify, Protect, and Support Victims
- 6.3 Detect, Apprehend, and Disrupt Perpetrators

## ENABLE MISSION SUCCESS BY STRENGTHENING THE ENTERPRISE

- E.1 Mature Organization Governance
- E.2 Champion the Workforce
- E.3 Harness Data and Technology to Advance Mission Delivery

<sup>1</sup> Pub. L. No. 107-296 provides the legal requirement for the QHSR in Section 707 of the *Homeland Security Act of 2002*, as amended by the *Implementing Recommendations of the 9/11 Commission Act of 2007* (Pub. L. No. 110-53).

# Summary of Performance Results

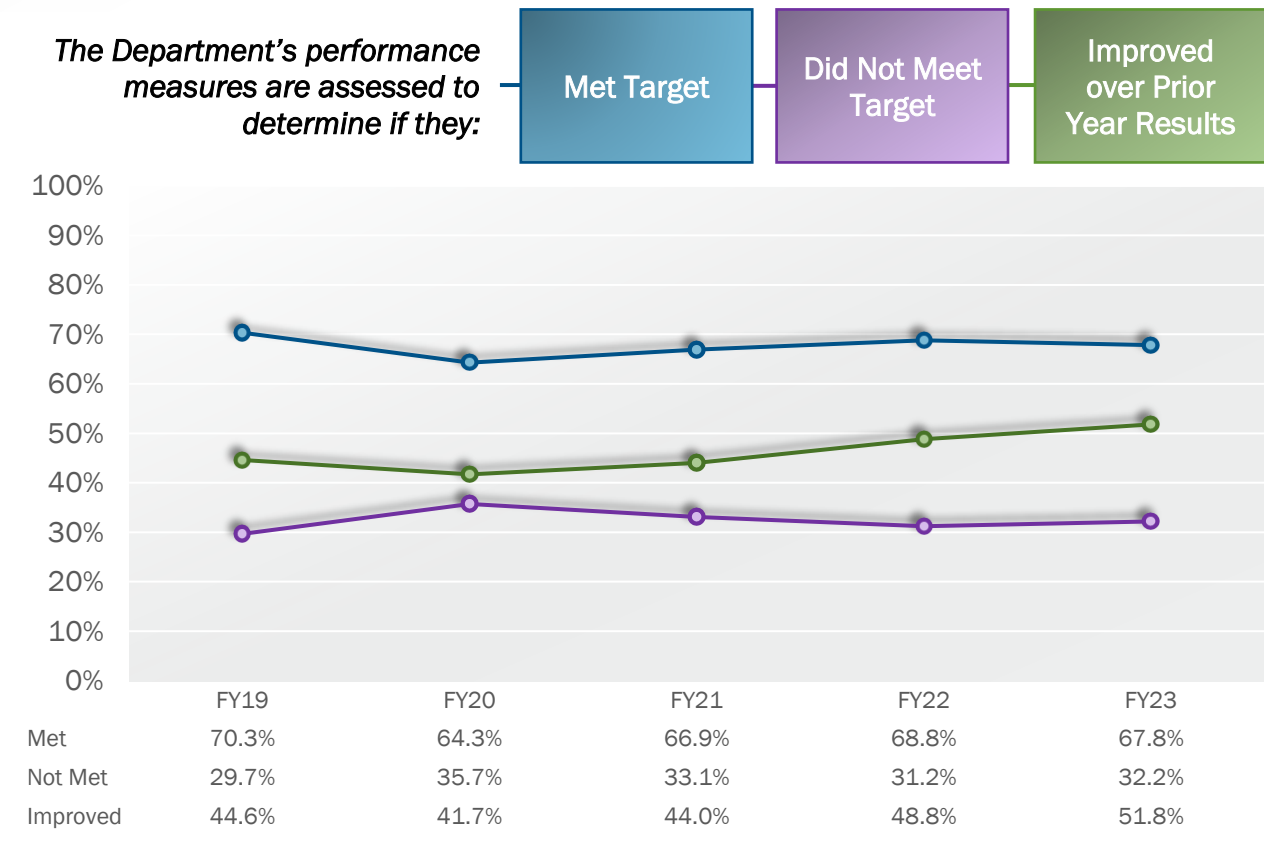
The DHS Agency Financial Report (AFR) provides the preliminary analysis of the Department’s performance results for FY 2023.

Using a color coding scheme, the Department’s performance measures are rated as having met their target (blue), not met their target (purple), and improved over prior year results (green).

A complete list of all strategic performance measures, targets, and final results will be published in the DHS FY 2023-2025 Annual Performance Report (APR) and will be available at: <https://www.dhs.gov/performance-financial-reports>. All previous reports can be found at this link as well.

## DHS-Wide Performance Results

The below chart displays the Department’s preliminary performances results from FY 2019 through FY 2023. Consistent with historical trends, 67.8% of the Department’s performance measures met their targets in FY 2023 and 32.2% did not. Across all measures for FY 2023, 51.8% of results improved over the prior year.<sup>2</sup>



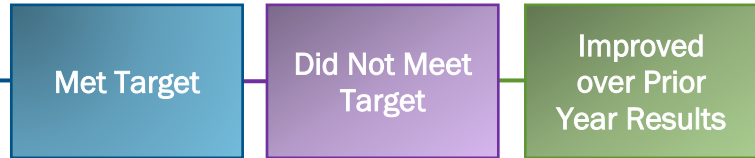
<sup>2</sup> From the Department’s suite of performance measures, 218 strategic and management measures are being assessed in the above and below trend charts for FY 2023. The FY 2019 sample size was 184 measures; FY 2020 was 156; FY 2021 was 141; and FY 2022 was 207. At the time of reporting for the AFR (effective November 14, 2023), 204 of the 218 measures were reporting end of year (EOY) results for FY 2023. Once available, the above and below trend charts will be updated with all remaining EOY results for FY 2023 and reported in the DHS FY 2023-2025 APR. When published, the APR communicates the Department’s final performance results and explanations for our FY 2023 strategic measures and establishes our Annual Performance Plan (APP) with performance targets for FY 2024-2025. A full listing of our strategic and management performance measure results, explanations, and targets will also be included with the Overview Chapter of the DHS Congressional Budget Justification (referred to as the Strategic Context).



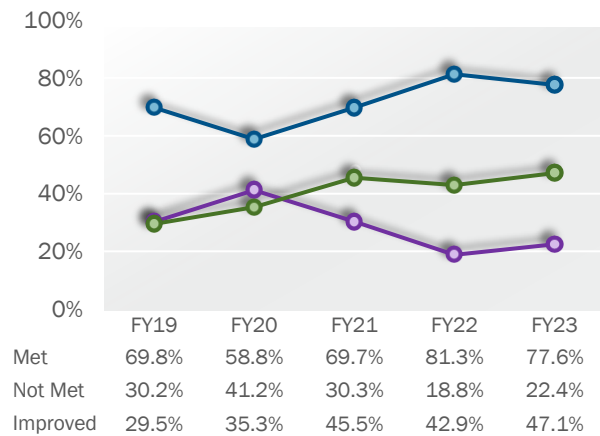
## DHS Performance Results by Mission

The below charts display the Department’s performances results by Mission for FY 2019 through FY 2023. As the Department’s FY 2024 Annual Performance Plan (APP) is the first that is aligned with the new QHSR Mission, *Combat Crimes of Exploitation and Protect Victims*, trend results for the Mission are not included below.

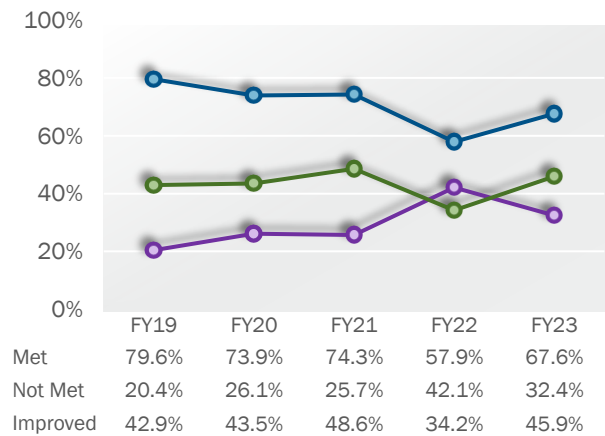
The Department’s performance measures are assessed to determine if they:



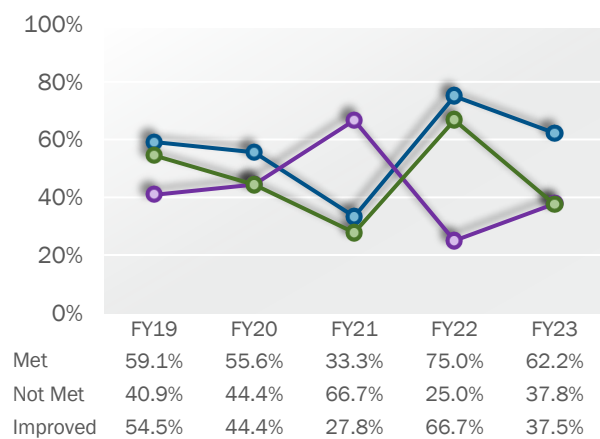
### Mission 1: Counter Terrorism and Prevent Threats



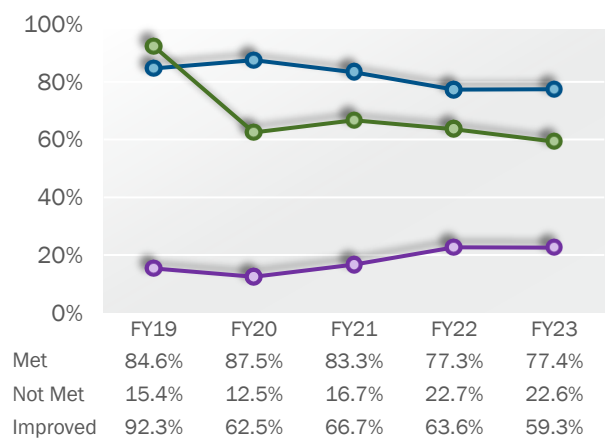
### Mission 2: Secure and Manage Our Borders



### Mission 3: Administer the Nation’s Immigration System

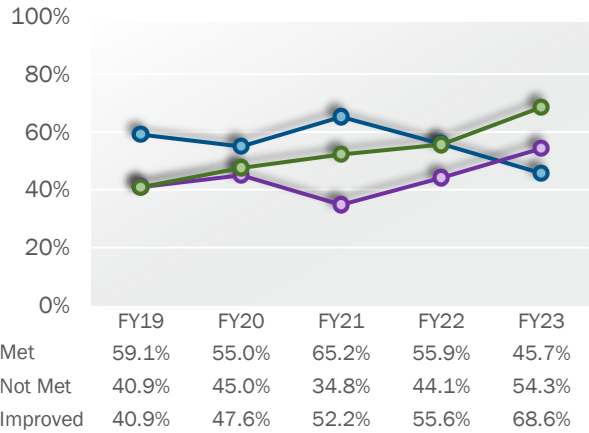


### Mission 4: Secure Cyberspace and Critical Infrastructure

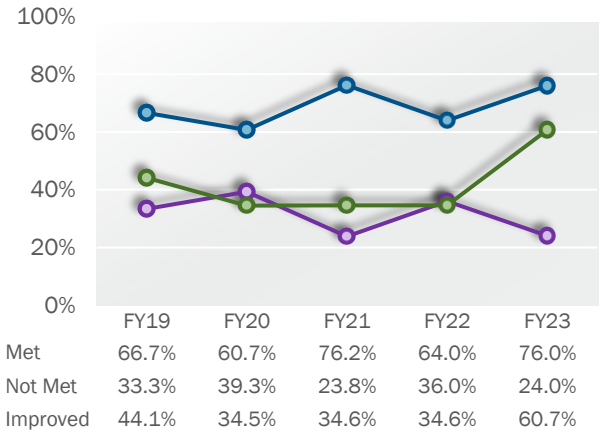




### Mission 5: Build a Resilient Nation and Respond to Incidents

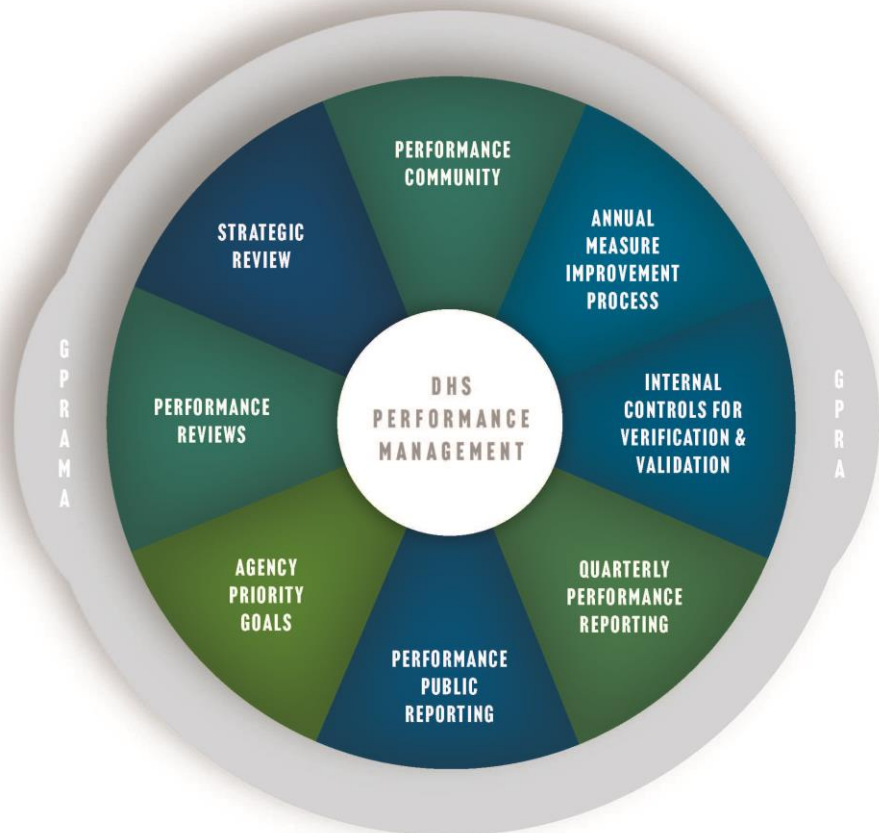


### Enable Mission Success by Strengthening the Enterprise



## Organizational Performance Management Framework

DHS leverages performance information produced through its implementation of Government Performance and Results Act (GPRA) and GPRA Modernization Act (GPRMA) initiatives to foster the integration of performance and budget information and other data and evidence to inform decision-making and other key operational and management processes. The graphic below shows how this performance management framework incorporates the initiatives that come from both GPRA and GPRAMA.





Since DHS is a complex and Federated organization, it primarily uses its Components and Level I Budget Programs, Projects, and Activities (PPA)—otherwise known as programs—as the primary units of analysis for performance and budget related purposes. A full listing of the Department’s programs is available in the DHS Budget, available at: <https://www.dhs.gov/dhs-budget>.

DHS programs are groups of activities that work in concert to accomplish a specific high-level outcome external to DHS and include operational processes, skills, technology, human capital, and other resources. Programs have performance goals, performance measures, performance targets, and are aligned to the DHS strategy. An example of this structure is provided in the figure to the right. This structure enables the Department to collect, analyze, and disseminate performance information that is consistent with internal and external resource allocation processes and foster better understanding of our Statement of Net Cost.

Example	
<b>DHS Objective:</b>	2.2 Expedite Lawful Trade and Travel
<b>Component:</b>	CBP
<b>Program:</b>	Travel Operations
<b>Program Performance Goal:</b>	The Travel Operations program welcomes international travelers into the United States through inspection of foreign visitors, intending immigrants, legal permanent residents, and returning U.S. Citizens.
<b>Performance Measure:</b>	Percent of Global Entry members with no security-related violations

Following a brief overview of the Department’s Agency Priority Goals (APGs), our FY 2023 performance information is highlighted in this report by Mission, along with high-level information about Component and program performance this past year, success stories and informative vignettes about our many efforts, and forward-looking notes about where the Department is heading. Information on performance targets, a detailed analysis and discussion of all the Department’s strategic performance measure results, and information on all relevant GPRA/GPRAMA initiatives will be provided in the FY 2023-2025 APR at: <https://www.dhs.gov/performance-financial-reports>.

## Internal Controls for Measure Completeness and Reliability

The Department recognizes the importance of complete, accurate, timely, and reliable performance data that is shared with leadership and external stakeholders. DHS implements a robust, multi-pronged approach to reduce measurement error and reinforce processes that enhance the Department’s ability to report complete and reliable data for performance measure reporting. OMB Circular No. A-136, *Financial Reporting Requirements*, OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget*, and the *Reports Consolidation Act* of 2000 (Public Law (P.L.) No. 106-531) further delineate this responsibility by requiring agencies to ensure completeness and reliability of the performance data they report by putting management assurance procedures in place.<sup>3</sup>

<sup>3</sup> Note: Circular No. A-11, PART 6, THE FEDERAL PERFORMANCE FRAMEWORK FOR IMPROVING PROGRAM AND SERVICE DELIVERY, Section 240.26 Definitions. Data limitations. In order to assess the progress towards achievement of performance goals, the performance data must be appropriately valid and reliable for intended use. Significant or known data limitations should be identified to include a description of the limitations, the impact they have on goal achievement, and the actions that will be taken to correct the limitations. Performance data need not be perfect to be valid and reliable to inform management decision-making. Agencies can calibrate the accuracy of the data to the intended use of the data and the cost of improving data quality. At the same time, significant data limitations can lead to bad decisions resulting in



## Management's Discussion and Analysis

This approach consists of:

- An annual measure improvement and change control process using our change control form, the Performance Measure Definition Form (PMDF)
- The PM system information technology repository for performance measure information
- Deep-dive assessments of the scope, source, data collection methodology, calculation, and review procedures on a small sample of our measures annually by an independent review team
- The Performance Measure Checklist for Completeness and Reliability annual certification by Component Performance Improvement Officers that they have complied with established internal control procedures over performance planning and reporting

Results published in this report have been determined to be reliable, unless stated otherwise.

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lower performance or inaccurate performance assessments. Examples of data limitations include imprecise measurement and recordings, incomplete data, inconsistencies in data collection procedures and data that are too old and/or too infrequently collected to allow quick adjustments of agency action in a timely and cost-effective way.

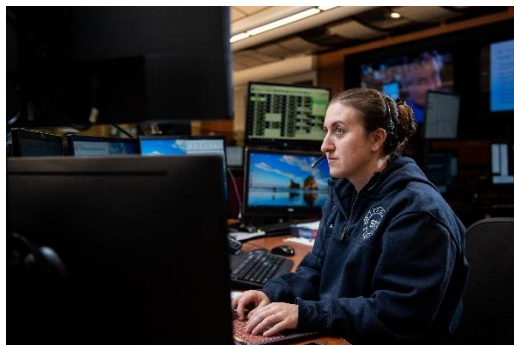
# Agency Priority Goals

APGs provide a tool for senior leadership to drive the delivery of results on key initiatives over a two-year period.

DHS collaborates with Components and OMB to develop APG plans and provide quarterly progress reports to the public at the OMB web site [performance.gov](https://www.performance.gov).

For the FY22-FY23 cycle, the Department implemented one APG on improving cybersecurity. For the FY24-FY25 cycle, the Department will implement three APGs, one on advancing customer experience and missions delivery; one on combatting human trafficking, labor exploitation, and child exploitation; and one on removing barriers to disaster resilience and recovery programs. Below is the goal statement and an overview of outcomes for the FY22-FY23 APG, as well as the goal statements for the FY24-FY25 APGs. Action plans and updates are available at: <https://www.performance.gov/agencies/dhs/>

## FY22-FY23 Agency Priority Goal: Strengthen Federal Cybersecurity



**Impact Statement:** Defend and secure the Federal Enterprise through a collaborative risk management effort with departments and agencies to coordinate risk response and interagency policy actions.

**Achievement Statement:** By September 30, 2023, 50% of federal agencies will meet the end of year Binding Operational Directive-22-01 [Known Exploited Vulnerabilities] requirement for leveraging automated Continuous Diagnostics and Mitigation reporting and CISA will achieve measurable progress toward enhancing operational visibility within the Federal Civilian Executive Branches by improving asset discovery and vulnerability enumeration.

### Outcomes:

- The Executive Order on Improving the Nation's Cybersecurity empowers DHS with additional authority to gain visibility into the federal enterprise and take action to safeguard systems.
- Increased use of CISA-approved standardized tools and shared services have made federal networks more defensible and secure. Agencies can identify threats and vulnerabilities and report on them using the Vulnerability Disclosure Program in advance of network disruptions.
- CISA can identify cross-agency threats and vulnerabilities at the Federal Enterprise Level to provide a holistic view of the cyber threat, including access to host-level data and integration of data sources from across CISA's cyber programs.

**Key Measure Result:** Target Met







## FY24-FY25 Agency Priority Goal: Advance Customer Experience and Mission Delivery



**Impact Statement:** Advance the customer experience and mission delivery by enhancing our most critical services through the use of innovative technologies at airport security checkpoints and promoting paths for customers to connect directly with TSA.

**Achievement Statement:** By September 30, 2025, 80% of customers surveyed will continue to report an overall positive satisfaction rating for TSA, and the agency will incorporate measures of “trust” into its customer experience (CX) surveys.

## FY24-FY25 Agency Priority Goal: Combat Human Trafficking, Labor Exploitation, and Child Exploitation

**Impact Statement:** Decrease the ability of persons and transnational criminal organizations to engage in human trafficking, labor exploitation, and child exploitation by disrupting and dismantling their operations, assisting victims, and increasing awareness and education of crimes of exploitation.

**Achievement Statement:** By September 30, 2025, 643 transnational criminal organizations engaged in significant human trafficking, labor exploitation, and child exploitation criminal activity will be disrupted and/or dismantled.



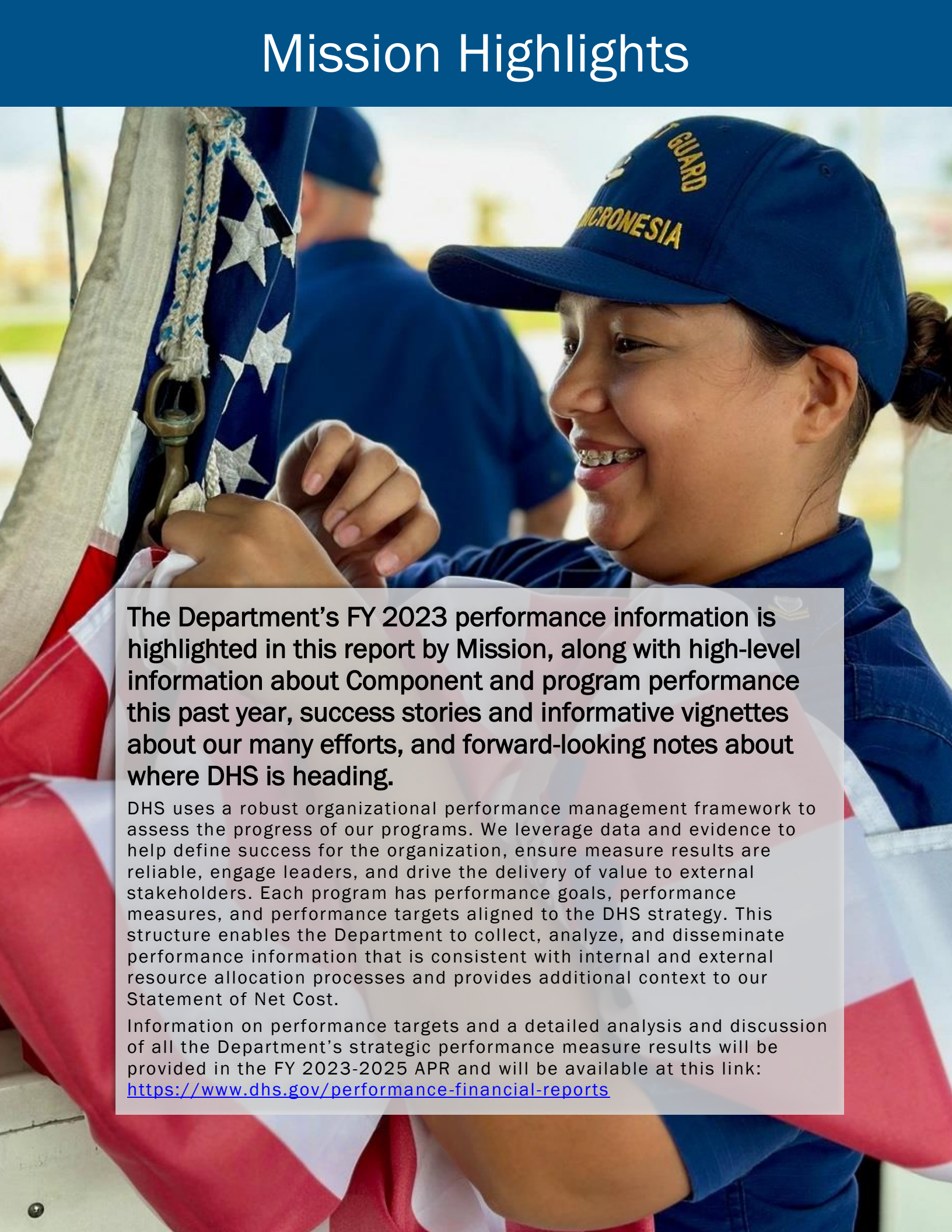
## FY24-FY25 Agency Priority Goal: Remove Barriers to Disaster Resilience and Recovery Programs



**Impact Statement:** Remove barriers to disaster resilience and recovery programs through a people first approach to achieve equitable outcomes for those we serve.

**Achievement Statement:** By September 30, 2025, 40% of benefits from Justice40-covered programs will flow to disadvantaged communities. For more on the whole-of-government Justice40 initiative, please refer here: <https://www.whitehouse.gov/environmentaljustice/justice40/>

# Mission Highlights



The Department's FY 2023 performance information is highlighted in this report by Mission, along with high-level information about Component and program performance this past year, success stories and informative vignettes about our many efforts, and forward-looking notes about where DHS is heading.

DHS uses a robust organizational performance management framework to assess the progress of our programs. We leverage data and evidence to help define success for the organization, ensure measure results are reliable, engage leaders, and drive the delivery of value to external stakeholders. Each program has performance goals, performance measures, and performance targets aligned to the DHS strategy. This structure enables the Department to collect, analyze, and disseminate performance information that is consistent with internal and external resource allocation processes and provides additional context to our Statement of Net Cost.

Information on performance targets and a detailed analysis and discussion of all the Department's strategic performance measure results will be provided in the FY 2023-2025 APR and will be available at this link: <https://www.dhs.gov/performance-financial-reports>



# Mission 1: Counter Terrorism and Prevent Threats



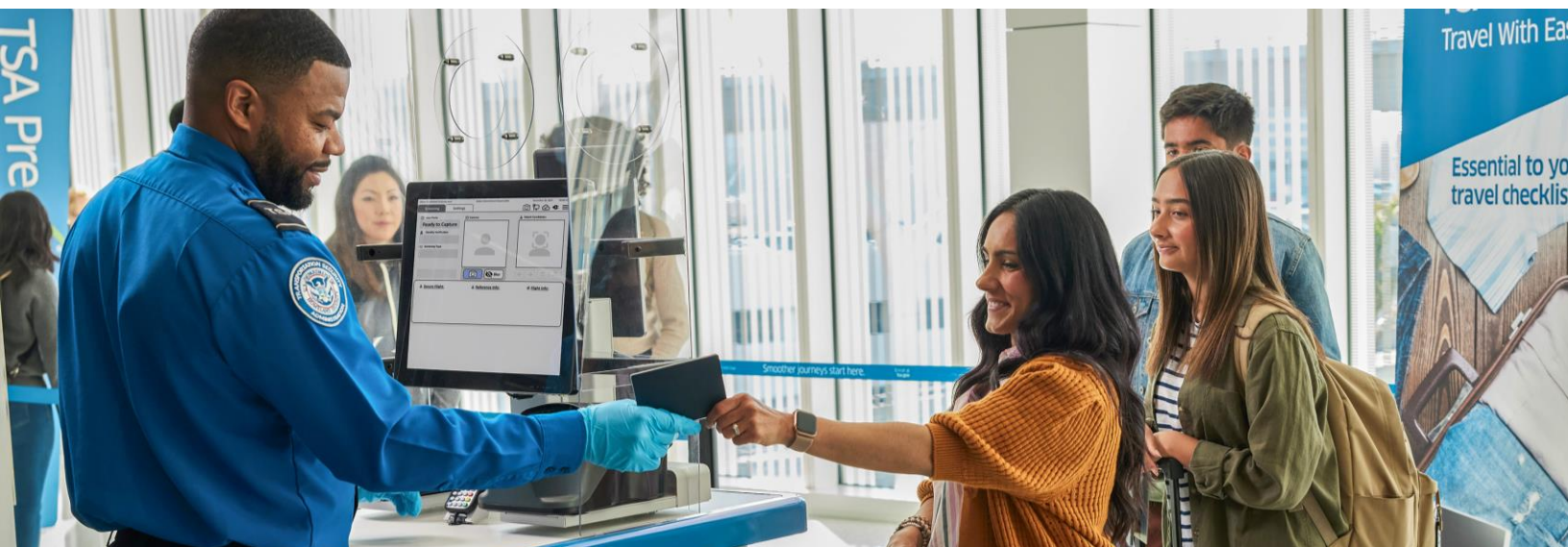
## Overview

One of the Department's top priorities is to protect Americans from terrorism and other homeland security threats by preventing domestic and international actors who engage in terrorist or criminal acts from threatening the homeland.

While the Department has made significant progress and diminished the terrorist threat to the U.S., the country continues to face a diversified and dynamic threat environment from a broad array of actors.

## DHS@20

After 9/11, joining the DHS workforce was a way for many Americans to answer a call to service to help ensure a safe and secure future for our country. Over 32,000 people, or 12% of the DHS workforce, are "plank holders" who have served the Department since its inception in 2003. This dedication to mission is at the heart of all we do in the Department every day — our workforce's legacy of service will ensure we accomplish our mission for the next 20 years and beyond.



## TSA Pay Equity, investing in TSA's workforce

In FY 2023, TSA followed through with a pledge to commit to its people by implementing a pay initiative to bring employee salaries on par with their federal counterparts, effective in July 2023. Congress approved and President Biden signed the plan through passage of the FY 2023 omnibus spending bill. The funding impacted all non-executive TSA employees and provided TSA screening officers with an average 26% pay raise. The plan led to a significant increase in the agency's retention rate and employee morale.



Today, the most significant domestic terrorist threat facing the homeland stems from lone offenders and small groups of individuals. They are motivated by a broad range of racial, ethnic, political, religious, anti-government, societal, or personal ideological beliefs and grievances—often exacerbated by conspiracy theories and false and misleading narratives spread online. To counter domestic terrorist threats, DHS, working closely with interagency partners, and will continue to align its mission to the core pillars of the first [National Strategy for Countering Domestic Terrorism](#).

**Did you know?**

I&A partnered with the Wisconsin Department of Justice (DOJ) and the Wisconsin Department of Public Instruction (DPI) to release an eLearning module for the public titled, “Foundations of Targeted Violence Prevention.” Since its release in February 2023, over 8,400 community members from across the country have taken this training – learning how to recognize threats or potentially concerning behaviors, where to report information of concern, and how the reported information is used to keep their communities safe.

The threat of international terrorism to the homeland remains as well, as foreign terrorist organizations have proven adaptable and resilient over the past two decades and individuals inspired by their ideologies—homegrown violent extremists (HVEs)—have continued to launch attacks in their names. In the years since September 11, 2001, DHS has enhanced our nation’s ability to identify and prevent individuals affiliated with these organizations from traveling to or entering the U.S. to conduct attacks. However, terrorists have and will continue to adapt to changing security environments and seek new and innovative ways to target the homeland. DHS will remain vigilant against all forms of terrorism, both domestic and international.



### First International Operations Center Directors Meeting

The DHS National Operations Center (NOC) virtually hosted the first International Operations Center Directors Meeting comprised of operations centers from Australia, Canada, New Zealand, and the United Kingdom. The forum now meets monthly to maintain working relationships, discuss common interests, share best practices, and ensure lines of communication are open during a crisis.



## Mission 1: Key Measure Highlights

### Objective 1.1 Collect, Analyze, and Share Actionable Intelligence and Information

Component	Program		Measure Name				
I&A	Intelligence and Analysis		Percent of intelligence reports rated satisfactory and useful by customers				
FY19 Result ---	FY20 Result ---	FY21 Result 90%	FY22 Result 89%	FY23 Target 80%	FY23 Result 93%	Met Target ✓	Improved <sup>4</sup> ✓
OSA	Office of Homeland Security Situational Awareness		Percent of National Operations Center incident reports and situational awareness products produced and disseminated to the homeland security enterprise within targeted timeframes				
FY19 Result 100%	FY20 Result 97.7%	FY21 Result 94.6%	FY22 Result 94.2%	FY23 Target 94%	FY23 Result 96.5%	Met Target ✓	Improved ✓

### Objective 1.2 Prevent and Disrupt Terrorist and Nation States

Component	Program		Measure Name				
TSA	Aviation Screening Operations		Percent of passenger data submissions that successfully undergo Secure Flight watch list matching				
FY19 Result 100%	FY20 Result 100%	FY21 Result 100%	FY22 Result 100%	FY23 Target 100%	FY23 Result 100%	Met Target ✓	Improved



### TSA invests in critical screening technology

In April 2023, TSA awarded nearly \$1.43 billion in contracts for Credential Authentication Technology (CAT-2) and Computed Tomography (CT) to enhance airport security screening. CAT-2 includes an integrated camera and self-service capabilities and substantially improves identity verification, validates the authenticity of a passenger’s ID, confirms pre-screening status, and validates flight reservations. CT scanners create 3D rotatable images to help officers detect explosives and prohibited items.

<sup>4</sup> “Met Target” is checked in our Key Measure tables if the measure met its target for FY 2023. “Improved” is checked in our Key Measure tables if the measure improved over the prior year result.



Objective 1.2 Prevent and Disrupt Terrorist and Nation States (cont'd)							
Component		Program		Measure Name			
TSA		Other Operations and Enforcement		Percent of air carriers operating from domestic airports in compliance with standard security programs			
FY19 Result	FY20 Result	FY21 Result	FY22 Result	FY23 Target	FY23 Result	Met Target	Improved
89%	86%	92%	92%	90%	92%	✓	
USCG		Maritime Security Operations		Percent risk reduction of coordinated anti-terrorism activities throughout the maritime transportation system			
FY19 Result	FY20 Result	FY21 Result	FY22 Result	FY23 Target	FY23 Result	Met Target	Improved
—	27%	32%	31.7%	40%	35.5%		✓

Objective 1.3 Protect Leaders and Designated Individuals, Facilities, and Events							
Component		Program		Measure Name			
USSS		Protective Operations		Percent of protectees that arrive and depart safely			
FY19 Result	FY20 Result	FY21 Result	FY22 Result	FY23 Target	FY23 Result	Met Target	Improved
100%	100%	100%	100%	100%	100%	✓	



### U.S. Secret Service trains DOD Service Members assigned to CMCA

In June 2023, the U.S. Secret Service trained more than forty service members that are part of the Communications Management and Control Activity (CMCA). CMCA provides the Secret Service with communications support for National Special Security Events and other high-profile events. Within days of graduation, they deployed to the National Capital Region to prepare equipment used to support the 2023 U.N. General Assembly in New York City and the 2023 Asian Pacific Economic Cooperation in San Francisco.



Objective 1.4 Identify and Counter Emerging and Chemical, Biological, Radiological, and Nuclear Threats				
Component	Program		Measure Name	
CWMD	Countering Weapons of Mass Destruction		Percent of Acquisition programs to counter CBRN threats that meet their Acquisition Program Baseline (APB) schedule, cost, and performance thresholds	
FY19 Result	FY20 Result	FY21 Result	FY22 Result	<b>New Measure</b>
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				<i>Targets will be reported in FY 2023-2025 APR</i>

### Performance Highlights

Across Mission 1, performance improved despite challenges resulting from travel volume and supply chain logistics in the post-pandemic environment, which have impacted DHS internal operations and external customers alike.

Examples of DHS performance in this space include:

- Intelligence products continue to be efficiently and effectively distributed to relevant stakeholders who rate those products as satisfactory and useful in customer surveys.
- Air carrier compliance with standard security programs has improved over the past two years, up from a slight

## Did you know?

TSA’s deployed capabilities support and protect the nation’s transportation systems. Daily, TSA screens more than 2 million passengers, 5 million carry-on bags, and 1.4 million pieces of checked baggage for explosives and other dangerous items. To enhance these efforts, TSA has integrated proven canine detection and deterrence capabilities, with over 1,000 canine teams at over 100 locations across the United States.



### Securing the Cities

CWMD’s Securing the Cities program started in 2007 to assist major metropolitan areas acquire radiological and nuclear (R/N) detection equipment and train their law enforcement and first responders in its use. In FY 2023, the program conducted tabletop exercises in San Francisco (CA), Boston (MA), Atlanta (GA), and Denver (CO). These exercises enable city and regional leaders to review roles, responsibilities, and critical decisions required to effectively protect their areas against R/N threats.



decrease during COVID because of new security requirements and the inability to conduct in-person inspections and engagements to assess compliance.

- TSA implemented a career progression program for Transportation Security Officers (TSOs), which will be bolstered by TSA's new [Pay Equity initiative](#). Additionally, TSA anticipates the Checkpoint Property Screening System (CPSS) will enable remote screening of multiple lanes from a single location to help address labor challenges in high cost of living areas.
- The percent of risk reduction from coordinated anti-terrorism activities in the maritime transportation system has increased despite temporarily heightened fuel costs driven by post-pandemic related and other supply chain issues.
- 100% of protectees continued to arrive and depart safely, and the National Threat Assessment Center (NTAC) is taking steps to better measure and monitor its engagement with customers.

**DHS@20**

DHS Operational Components interact more frequently on a daily basis with the American public than any other federal department, from travelers moving through air, land, and seaports of entry, to businesses importing goods into the country, to immigrants applying for services.

### Looking Forward

DHS is improving the customer experience for many of its most critical services and programs.

- For example, [TSA and CBP have integrated their Secure Flight prescreening system with the Travel Verification System \(TVS\)](#) to provide a better customer experience for



### Record year for firearm and unusual catches at airport checkpoints across the U.S.

TSA stopped 3,251 firearms at airport checkpoints during the first half of 2023. TSA has increased the maximum civil penalty for a firearms violation to \$14,950. Additionally, passengers with firearms at the checkpoint will lose TSA PreCheck® eligibility for five years, may require enhanced screening, and are subject to applicable state and local laws. The agency is expected to surpass last year's record of 6,542 firearm interceptions, of which 88% of those firearms were loaded. Unusual catches in FY23 included firearms hidden in a chicken and peanut butter, grenades, knives, drugs, and other contraband.





## Management's Discussion and Analysis

travelers, leveraging facial identification to verify a passenger's identity at secure checkpoints and streamlining the standard identity verification process.

- TSA also continues to expand [TSA PreCheck®](#), including touchless identification, which will streamline and improve the customer experience for travelers. TSA has also seen an increase in PreCheck® enrollments, with almost all renewals now happening entirely online.

**DHS is increasing prevention efforts to counter the threat of domestic violent extremists (DVEs), one of the most persistent and lethal threats facing our nation today.**

- For example, [the NTAC](#), which leads the field of threat assessment and targeted violence prevention, conducted over 250 events for over 25,000 participants in FY 2022, representing a historical high. To accommodate this new level of throughput, USSS is taking steps to enhance how it monitors engagement with NTAC customers.
- DHS is also increasing its capabilities to plan and implement security operations for National Special Security Events (NSSEs) and is enhancing DHS-wide incident management capabilities. These efforts are especially important given the DVE threat and an unprecedented number of NSSEs expected to occur between 2024 and 2028 (e.g., 2026 FIFA World Cup, 2028 Summer Olympics).



### Enhancing targeted violence and terrorism prevention efforts nationwide

I&A continues to empower our homeland security partners to adapt to the changing threat environment by equipping communities with the tools and resources required to prevent acts of terrorism and targeted violence. I&A's National Threat Evaluation and Reporting (NTER) Program Office's Master Trainer Program, launched in 2020, has grown to over 320 Master Trainers across 42 states. These Master Trainers are certified in the instruction of behavioral threat assessment and management and are helping train their local communities in established methods and best practices proven to help public safety partners and community members identify persons of concern and provide opportunities for intervention to prevent acts of targeted violence. Collectively, this Master Trainer Network has now trained over 5,600 partners and is playing a key role in growing the nation's overall capacity to prevent targeted violence.



# Mission 2: Secure and Manage Our Borders



## Overview

Our missions to secure our borders and administer our immigration system with integrity and compassion are complementary, and DHS will continue to work with our partners across the homeland security enterprise to accomplish these missions.

## DHS@20

The Department is home to more than 92,000 sworn law enforcement officers, the greatest number of law enforcement officers in the federal government. DHS committed to increasing the representation of newly hired women in law enforcement or related occupations at DHS to 30% by 2023.

Over the past decade, there has been a fundamental change in migratory patterns that has far-reaching impacts for DHS and the broader U.S. immigration system. Until 2013, more



## The growing impact of the Team Awareness Kit (TAK) to USBP Operations

U.S Border Patrol (USBP) deployed over 18,000 Team Awareness Kits (TAKs), a digital tool that enhances access to real-time intelligence and enables collaboration for multi-jurisdictional response teams. USBP worked with the DHS Components like S&T to tailor the TAK devices to USBP's unique operational needs and deploy it at an enterprise level to strengthen public safety measures and maintain shared tactical awareness across organizations during disaster and national security events. TAK's exceptional operational value to the USBP border security mission has been proven with over 16,000 USBP personnel trained, improving operational effectiveness and efficiency, and providing a leading and innovative solution in the mission to secure the border.

## Management’s Discussion and Analysis

than 90% of individuals encountered at the U.S. Southwest Border (SWB) were single adults, and the vast majority were Mexican citizens. In 2014, the U.S. began experiencing a surge in migration of family units and unaccompanied children, which have accounted for more than half of all encounters since 2018. Unaccompanied children and family units present humanitarian concerns that make having them in custody and conducting initial processing more complex and resource-intensive than processing single adults.

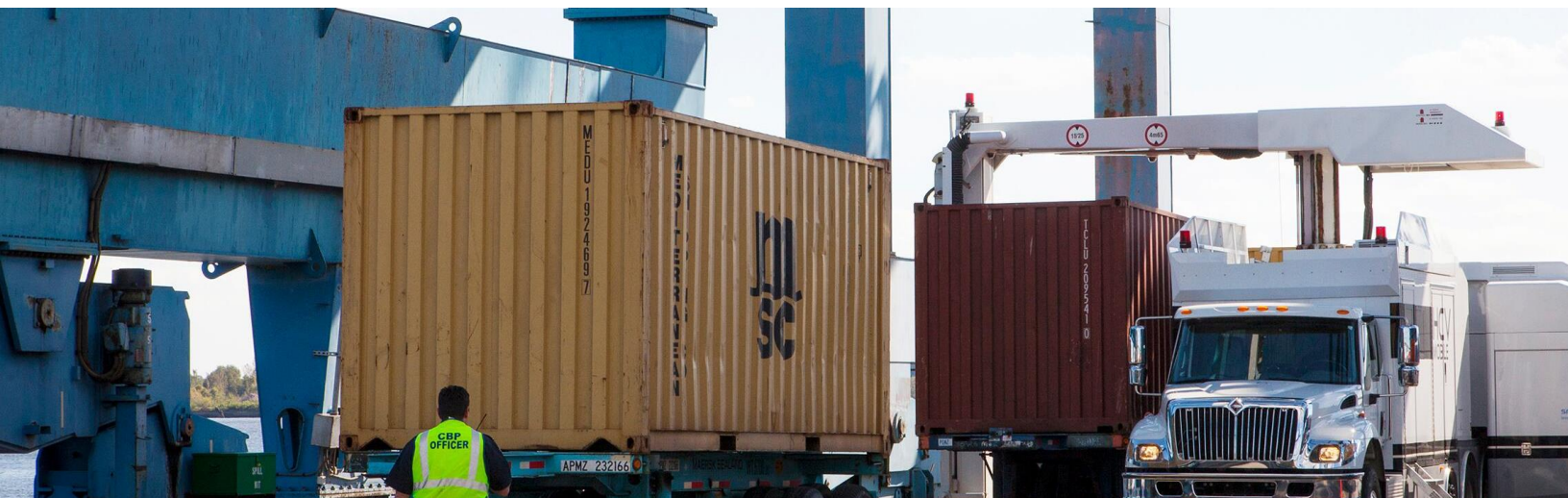
The composition of migrant encounters will continue to change, requiring the

Department to maintain maximum flexibility

in its operations and processing capabilities. Today, DHS is facing a surge in migration from non-traditional sending countries, including Brazilians fleeing the devastation wrought by COVID-19. There have also been surges in Haitians fleeing their home country due to instability, indiscriminate violence, and economic collapse, as well as surges from South American countries due to economic recessions and changes in those countries’ immigration policies. Repressive regimes in Cuba, Nicaragua, and Venezuela have fueled migration throughout the hemisphere, leading to large diasporas, including millions of Venezuelans who have fled to Brazil, Peru, Ecuador, Colombia, Costa Rica, and elsewhere in

### Did you know?

One of the greatest dangers to migrants along the SWB can be the environment. Every year before the start of summer, U.S. Border Patrol sectors spread awareness of heat related hazards through “Border Safety Events,” which bring together media, consulate officials, and community leaders as part of this initiative. Additional rescue beacons have been placed along the SWB in areas with high traffic, so undocumented migrants are able to call for assistance should they be in medical distress.



### Non-Intrusive Inspection enhances CBP cargo security

The Non-Intrusive Inspection Division (NII) continues to innovate and find the latest and greatest technology on the market. NII systems are an integral part of CBP’s layered enforcement strategy to assist personnel screening for illicit goods. Currently, CBP officers use over 370 Large-Scale and more than 4,000 Small-Scale NII systems to scan cargo and vehicles. NII equipment allows frontline personnel to review the contents of a cargo container in a matter of minutes whereas a physical examination could take hours. This translates to billions of dollars in savings to both CBP and the trade industry. For example, in FY 2023, CBP utilized Large Scale NII to conduct more than 9.4 million exams, resulting in more than 1,000 seizures of nearly 52,219 kgs. of drugs and \$2.5 million of undeclared U.S. currency.



South America. These diasporas may lead to much larger migratory flows over the coming years.

To address these trends, DHS has developed and will continue to implement a plan consisting of six key pillars: surging resources; increasing efficiency to reduce strain on the border; administering consequences for unlawful entry; bolstering the capacity of nongovernmental organizations (NGOs) and working with state and local partners; targeting and disrupting networks of cartels and smugglers; and working with our federal regional partners to deter irregular migration. While CBP, ICE, and the U.S. Coast Guard wield powerful law enforcement authorities on land and at sea, DHS also works with other partners across the homeland security enterprise—including state, local, tribal, and territorial (SLTT) law enforcement agencies—to ensure border security operations are conducted in a safe, humane, and dignified manner.

Securing and managing our borders also means addressing trade and investment flows that touch us all. To that end, DHS will continue to facilitate the free flow of lawful trade and grow our trade partnerships with allies, strengthening economic security and resiliency here at home and abroad.

## DHS@20

U.S. Customs turns 234 years old this year! The origin of CBP's trade and customs functions date back to 1789. Today, those same functions continue to play a critical role in facilitating economic prosperity and protecting American businesses from unfair competition.



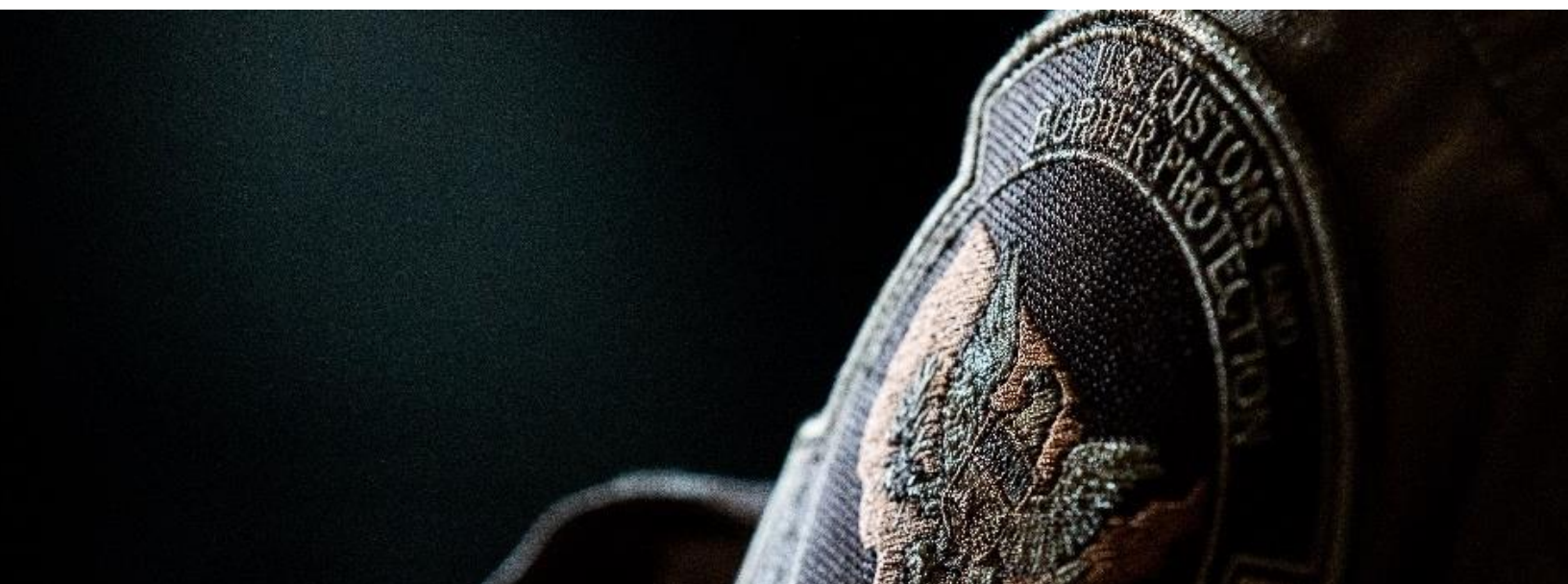
### UAS deployment to Panama to combat Transnational Organized Crime

In January 2023, Air and Marine Operations (AMO), in coordination with Joint Interagency Task Force – South (JIATF-S), and Servicio Nacional Aeronaval (SENAN), conducted an integrated air and sea operation in Panama for 99 days utilizing Unmanned Aircraft System (UAS) technology to detect, identify, and facilitate the interdiction of maritime surface vessels attempting to use the Eastern Pacific, Central Caribbean, and Panamanian Territorial Waters to traffic people and contraband. The operation included 938 mission hours and resulted in 11,362 lbs. of cocaine and 23,261 lbs. of marijuana seized or disrupted.



## Mission 2: Key Measure Highlights

Objective 2.1 Secure and Manage Air, Land, and Maritime Borders							
Component	Program			Measure Name			
CBP	Air and Marine Operations			Percent of detected contentional aircraft incursions resolved along all borders of the United States			
FY19 Result 99.1%	FY20 Result 100%	FY21 Result 100%	FY22 Result 100%	FY23 Target 98.5%	FY23 Result 100%	Met Target ✓	Improved
CBP	Border Security Operations			Rate of interdiction effectiveness along the Southwest Border between ports of entry			
FY19 Result 86.3%	FY20 Result 79.4%	FY21 Result 82.6%	FY22 Result 75.9%	FY23 Target 81%	FY23 Result 75.6%	Met Target	Improved
Objective 2.2 Expedite Lawful Trade and Travel							
Component	Program			Measure Name			
CBP	Trade Operations			Percent of imports compliant with U.S. trade laws			
FY19 Result 98.37%	FY20 Result 98.37%	FY21 Result 99.96%	FY22 Result 99.69%	FY23 Target 97.5%	FY23 Result 99.35%	Met Target ✓	Improved

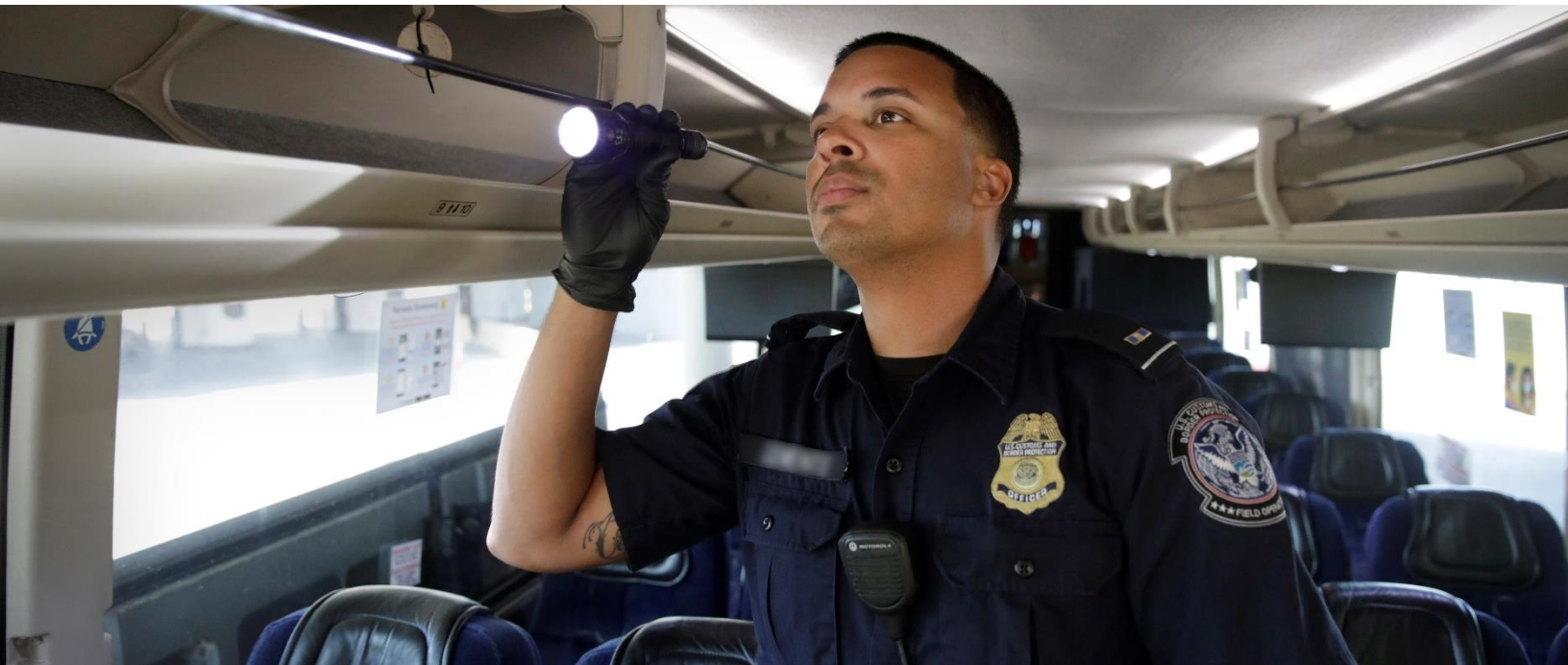


### CBP creates approach to combat synthetic drugs

CBP’s fentanyl seizures have increased more than 400% since FY 2019. In May 2023, CBP established a comprehensive and whole of government approach to anticipate, identify, mitigate, and disrupt fentanyl producers, suppliers, and traffickers. CBP serves as the nation’s frontline of defense against contraband moving through clandestine means across our borders and throughout the interior of the U.S. This strategy has already brought unique and formidable capabilities for CBP to combat the illicit synthetic trade and build capacity with our partners—domestic and international—to ensure the safety of Americans.



Objective 2.2 Expedite Lawful Trade and Travel (cont’d)							
Component	Program			Measure Name			
CBP	Travel Operations			Percent of Global Entry members with no security-related violations			
FY19 Result 99.9%	FY20 Result 99.7%	FY21 Result 99.9%	FY22 Result 99.8%	FY23 Target 99.5%	FY23 Result 99.8%	Met Target ✓	Improved
USCG	Marine Transportation System Management			Availability of maritime navigation aids			
FY19 Result 96.8%	FY20 Result 96.5%	FY21 Result 96.2%	FY22 Result 96.3%	FY23 Target 97.5%	FY23 Result 95.49%	Met Target	Improved
USCG	Maritime Law Enforcement			Fishing regulation compliance rate			
FY19 Result 98%	FY20 Result 97.4%	FY21 Result 97.2%	FY22 Result 98.9%	FY23 Target 97%	FY23 Result 99.1%	Met Target ✓	Improved ✓



### CBP hosted Forced Labor Technical Expo and launched interactive dashboard

From March 14-15, 2023 CBP hosted the Forced Labor Technical Expo, creating a global platform for industry to share best practices on the latest technologies in supply chain transparency from around the world. At the same time, CBP launched the Uyghur Forced Labor Prevention Act (UFLPA) enforcement statistics dashboard to provide the public with a single source of easily accessible data on UFLPA enforcement. Both efforts supported CBP’s fight against forced labor, which is a top priority for the agency and the Department of Homeland Security. CBP is committed to transparency and working as a partner to industry looking to comply with forced labor laws.



## Objective 2.3 Counter Transnational Criminal Organizations and Other Illicit Actors

Component		Program		Measure Name		
ICE		Homeland Security Investigations		Number of significant Homeland Security Investigations cases that resulted in a disruption or dismantlement		
FY19 Result	FY20 Result	FY21 Result	FY22 Result	<b>FY23 Target</b>	<b>FY23 Result</b>	EOY results were not available at time of reporting. Please refer to the APR for EOY results and explanations.
---	---	698	1,083	<b>545</b>	—	

### Performance Highlights

While DHS continued to deliver its core programs and services, Mission 2 performance was negatively impacted by external factors such as post-pandemic travel volumes and supply chain challenges, as well as surge operations to address humanitarian crises.

Examples of DHS performance in this space include:

- CBP’s rate of interdiction effectiveness along the SWB between ports of entry has declined since pre-pandemic as a result of the volume of migrant flows to the SWB, with the resulting operating tempo and environment negatively affecting employee health, morale, and retention.
- Persistent DHS-wide efforts to respond to the migration crisis at the SWB and maritime environments is putting a strain on DHS personnel.



### Restoring maritime commerce after natural disasters

After Hurricane Ian made landfall in Florida in September 2022, Coast Guard personnel saved or assisted over 800 people in distress. To facilitate opening federal waterways to commerce and rescue supplies, the Coast Guard immediately completed aids to navigation assessments at ports in Florida, Georgia, South Carolina, North Carolina, and Virginia, returning 10 of the 13 major ports to normal operating status within 36 hours of the storm.



- Diversion of assets to respond to other priorities in the maritime environment impacted USCG operations, such as ensuring the availability of aids to navigation, the percent of time high priority waterways in the Great Lakes and along the eastern seaboard are open during ice season, and maintaining operational presence in the Arctic.
- Lawful trade and travel was impacted by post-pandemic volume changes, yet DHS continued to innovate in ways that improved effectiveness and efficiency in the delivery of services to stakeholders and customers.

## Did you know?

Through its Green Trade Strategy, CBP is establishing itself as a leader of environmental stewardship in the trade space – exemplifying higher, greener standards for global trade while creating an opportunity for government, industry, and the public to unify efforts in the creation of a more sustainable future.

## Looking Forward

DHS is taking steps to ensure the capacity and capability of its workforce to respond to the historically high numbers of migrants arriving at our nation's SWB.

- For example, CBP is identifying workforce management solutions to close critical gaps in recruiting and retention efforts and is focused on developing incentives that



## HSI San Diego FAST, countering the threat of fentanyl

The San Diego FAST (Fentanyl Abatement and Suppression Team) is an HSI led multi-agency task force focused on stopping the spread of fentanyl in San Diego County and bringing down the overdose rates. FAST was designed to provide support to state and local agencies seeking to attack the problem of fentanyl distribution in the County, and to target fentanyl distributors causing overdoses and deaths. During the two months of DHS's Operation Blue Lotus, HSI San Diego, including FAST and its partners, not only seized more than 2 tons of fentanyl and an additional 2 tons of other deadly drugs destined for our communities, but also greatly diminished the cartel's operating capabilities in San Diego County by arresting 216 cartel members, their smugglers, their traffickers, and their dealers, all of whom are now facing significant prison sentences.



## Management’s Discussion and Analysis

improve the retention of skilled and experienced agents, establishing training for law enforcement and mission support personnel across career lifecycles, and continuing to implement the [Border Patrol Processing Coordinator \(BPPC\)](#) role to ease agent workload and enable agents to focus their time on core law-enforcement competencies.

- In addition to recent pay differential initiatives undertaken by ICE

Homeland Security Investigations (HSI) for difficult to staff positions, ICE Enforcement and Removal Operations (ERO) is also taking steps to train Enforcement and Removal Assistants (ERAs) to provide Non-Detained Docket (NDD) caseload support and enable ERO personnel to focus their time in core mission areas.

DHS is working to understand and plan for the short- and long-term factors that drive migration to the U.S. from Latin America and the Caribbean—including abuses perpetrated by authoritarian regimes, food insecurity, violence, corruption, lack of opportunities, and systemic poverty.

- DHS technology and systems enable near real-time sharing of information on local and short-term migration trends. For example, the U.S. Border Patrol (USBP) is implementing its Common Operating Picture (COP) at Tactical Operations Centers,

### Did you know?

The Coast Guard operates on all seven continents and maintains over 60 bilateral agreements to leverage foreign partnerships to combat international threats like drug trafficking and illegal, unreported, and unregulated fishing. The Coast Guard also facilitates \$5.4 trillion in annual economic activity via the MTS.



### CBP hosts the first Green Trade Innovation and Incentives Forum

On July 11, 2023, CBP hosted the first ever Green Trade Innovation and Incentives Forum, where members of industry, non-governmental organizations, Government personnel, and experts in academia, research, and technology exchanged ideas related to green trade innovation, incentivizing clean and sustainable supply chains and environmental stewardship, and international trade decarbonization. The Forum supported CBP’s Green Trade Strategy, which establishes the agency as a leader of environmental stewardship in the trade space – exemplifying higher green standards for global trade.



which fuses live input from surveillance technologies and other operational data into an automated system capable of assisting agents in making decisions in real-time.

- In the maritime environment, the U.S. Coast Guard is implementing new performance measures regarding migrant interdiction and other related activities which will help inform situational awareness regarding risks, impacts, and tradeoffs for USCG efforts.
- To better understand long-term trends and contributing factors in this complex space, ICE-ERO is establishing a unit to survey the migration environment and prepare for future events. This unit will help ICE-ERO plan and set strategic direction and will be informed by continued advances in Discreet Event Simulation forecast capabilities.
- As outlined in the [DHS FY 2022-2026 Learning Agenda](#), DHS is also taking steps to evaluate push and pull factors at the national and local levels and their correlation with increases and decreases in the numbers of noncitizens arriving at the Southwest Border.

## DHS@20

Every day, the Department seizes \$10.4 million worth of goods for intellectual property rights violations and fraud; clears 91,605 truck, rail, and sea containers, and 10,572 shipments of goods for entry to the U.S., collecting more than \$306 million in duty, taxes, and fees in the process; and operate at 328 land, air, and sea Ports of Entry and screen 868,867 passengers and pedestrians entering the United States.



### Countering the IUUF threat at home

On April 14, 2023, the Coast Guard seized over 1,000 pounds of shark caught by foreigners fishing illegally off the coast of South Texas. Illegal, unreported, and unregulated fishing (IUUF) is a threat to local economies and sustenance around the globe. Coast Guard law enforcement personnel from Stations Galveston and South Padre Island routinely interdict fishermen attempting to illegally catch highly valuable species, such as shark or red snapper, in U.S. waters.



DHS is streamlining and improving the accessibility of many key services and programs involved in securing and managing the nation's borders.

- For example, ICE-ERO has translated over 40 forms into Spanish, Portuguese, Punjabi, French, and Haitian Creole, and the ICE Health Service Corps (IHSC) has acquired national care guidelines to support oversight of medical referral pre-authorizations, inpatient care and services, and expanded telehealth programs, and has made updates to its [public facing](#) website for change of address applications.
- CBP also continues to improve the [CBP One™ App](#), a mobile application that serves as a single portal to a variety of CBP services, and is offering added convenience to travelers under the Trusted Traveler Program (TTP) with the Enrollment on Arrival (EoA) program. The EoA program will enable approved Global Entry (GE) applicants to complete enrollment interviews while clearing CBP processing and has further benefited from CBP's continued rollout of [Biometric Facial Comparison Technology \(BFCT\)](#), which has reduced the average GE facial comparison transaction from 40-45 seconds at a legacy GE kiosk to less than 10 seconds with the new technology. CBP plans to deploy BFCT solutions to remaining air, sea, and land pedestrian environments, and refine BFCT deployment in the land vehicle environment.

## DHS@20

The Coast Guard is the Nation's oldest, continuous, sea-going service, having been created as the Revenue Marine in 1790. The modern Coast Guard was formed in 1915 and is a combination of five historical federal agencies: the Revenue Cutter Service, the Lifesaving Service, the Lighthouse Service, the Steamboat Inspection Service, and the Bureau of Navigation.



## HSI's largest commercial fraud loss of revenue investigation

Six importers were sentenced in federal court to five years' probation and ordered to pay \$1.83 billion in restitution for participating in a conspiracy to defraud the U.S. via a customs-and-wire fraud scheme in which China-origin aluminum extrusions were disguised as "pallets" and imported fraudulently to avoid \$1.8 billion in antidumping and countervailing duties. The case stemmed from a massive, multi-year probe conducted by HSI, CBP, and the Internal Revenue Service.



## Mission 3: Administer the Nation's Immigration System



### Overview

DHS continues to prioritize establishing safe, orderly, and lawful pathways to enter the country, and has responded with unprecedented action to humanitarian crises.

Following the evacuation of U.S. and allied forces from Afghanistan, DHS led a whole-of-government effort to coordinate the entry, domestic processing, and resettlement of Afghans into the U.S. DHS created Uniting for Ukraine to provide Ukrainians with supporters in the U.S. a pathway to come and stay in the country for a temporary period, leading to a significant decrease in encounters of Ukrainians at the Southwest Border. In response to a sharp rise in the number of Venezuelans encountered at the Southwest Border, DHS created a similar process for Venezuelans meeting certain criteria to travel to and stay temporarily in the country while imposing consequences on those who cross the Southwest Border without authorization. DHS also created processes for nationals of certain other Western Hemisphere countries, including Cuba, Haiti, and Nicaragua, which has led to a significant decrease in the number of people seeking to enter the U.S. irregularly. Additionally, USCIS



### Preparing tomorrow's citizens

On September 28, 2023, USCIS awarded over \$22 million in grants to 65 organizations in 29 states to help prepare lawful permanent residents for naturalization. The Citizenship and Integration Grant Program provides funding to organizations that prepare immigrants for naturalization and promote civic integration through increased knowledge of English, U.S. history, and civics. In addition to the traditional programs that fund citizenship and English acquisition classes, FY 2023 grants include opportunities for creative and innovative approaches to preparing immigrants for naturalization.



## Management’s Discussion and Analysis

has worked closely with the Department’s Family Reunification Task Force by using its discretionary parole authority to allow previously separated family members to enter or remain in the U.S. temporarily.

DHS will also continue to work with the Department of State to expand access to legal pathways for migrants seeking opportunity or protection in the U.S., and to help enhance reception and reintegration

for returnees to their home countries. In addition, DHS is enabling opportunities for safe and orderly migration through the Central American Minors program, in which lawfully present U.S.-based family members can petition for minors in their home country to be brought safely to the U.S.. We are also promoting labor pathways, specifically through the H-2A and H-2B programs, for temporary agricultural and non-agricultural workers, including allocating additional H-2B visas for certain Western Hemisphere countries under a time-limited statutory authority.

Larger migratory flows and the changing composition of border encounters will require the Department to develop innovative solutions to longstanding challenges with the processing and detention of individuals seeking protection. No matter the challenge, DHS will continue to break down barriers and promote access to immigration benefits and services for all who are eligible to seek them.

**DHS@20**

Every day, DHS welcomes 3,800 new citizens at naturalization ceremonies across the country, including 42 members of the U.S. Armed Forces, and grants legal permanent resident status to 2,100 people.



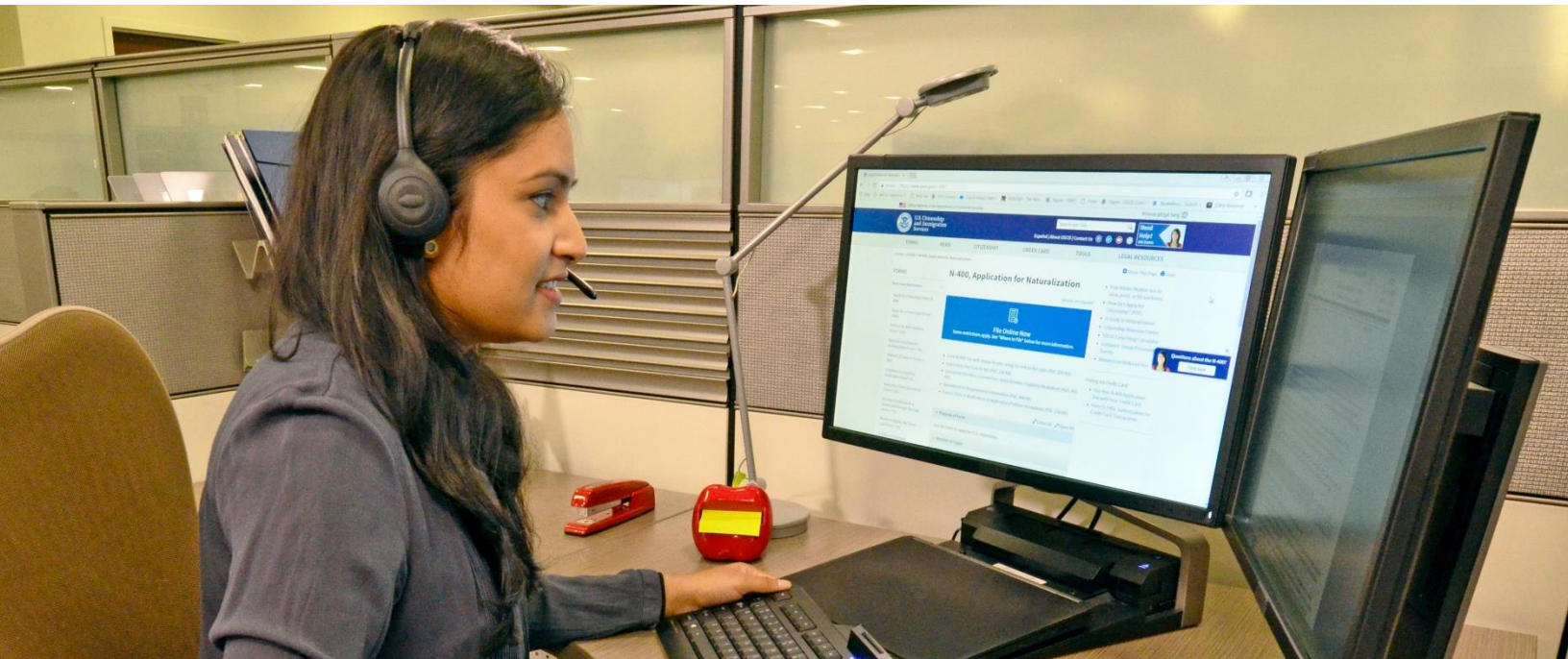
## Incorporating DEIA principles at DHS

On April 20, 2023, USCIS released its 2023-2026 Diversity, Equity, Inclusion and Accessibility (DEIA) Strategic Plan, marking the agency’s first comprehensive strategy to incorporate a culture of DEIA principles as a foundational element of its daily work. This effort is consistent with the USCIS core value to champion people, and the recently released USCIS FY 2023-2026 Strategic Plan, in which the agency made a commitment to invest in the workforce by promoting a DEIA culture.



### Mission 3: Key Measure Highlights

Objective 3.1 Administer the Immigration System							
Component	Program			Measure Name			
USCIS	Employment Status Verification			Percent of workers determined to be Employment Authorized after an initial mismatch			
FY19 Result .21%	FY20 Result .23%	FY21 Result .13%	FY22 Result .11%	FY23 Target ≤ .30%	FY23 Result .13%	Met Target ✓	Improved
USCIS	Fraud Prevention and Detection			Percent of completed social media checks found in compliance with applicable privacy policies			
FY19 Result ---	FY20 Result ---	FY21 Result ---	FY22 Result ---	New Measure		Targets will be reported in FY 2023-2025 APR	
USCIS	Immigration Services			Percent of approved Applications for Naturalization that were appropriately decided			
FY19 Result 99%	FY20 Result 99%	FY21 Result 0%	FY22 Result 100%	FY23 Target 99%	FY23 Result 100%	Met Target ✓	Improved



#### Expanding accessibility and enhancing the customer experience

USCIS continues to expand its online presence, increasing the number of forms available to file online, delivering on an agency priority to make operations more efficient and effective for the agency and its stakeholders, applicants, petitioners, and requestors. To help manage this process, the USCIS Contact Center has online tools and resources to give users the same information they would get by speaking to a representative, 24 hours a day, 7 days a week, from a cell phone, tablet, or computer.



Objective 3.2 Enforce U.S. Immigration Laws					
Program				Measure Name	
Enforcement and Removal Operations				Percent of detention facilities that meet the National Detention Standards Program during their full annual inspection	
FY19 Result ---	FY20 Result ---	FY21 Result ---	FY22 Result ---	New Measure	Targets will be reported in FY 2023-2025 APR
Office of the Principal Legal Advisor					
FY19 Result ---	FY20 Result ---	FY21 Result ---	FY22 Result ---	New Measure	Targets will be reported in FY 2023-2025 APR

### Performance Highlights

Despite negative impacts to performance largely driven by external factors in the regulatory and policy environment and by the increasing need for the Department to respond to humanitarian crises, some improvements in effectiveness and efficiency were realized as a result of the transition to a virtual work environment.

## Did you know?

The ICE National Criminal Analysis and Targeting Center (NCATC) plays a leading role in the identification, location, and removal of criminal noncitizens in the United States, including foreign fugitives wanted for serious offenses committed abroad who flee to the United States to elude justice.

Examples of DHS performance in this space include:

- USCIS continues to address case backlog and is digitizing many of its forms and processes to externally improve accessibility and the customer experience, and to internally improve effectiveness and efficiency, such as through a digital oath process for military naturalization and through establishing the Humanitarian, Adjustment, Removing conditions and Travel documents (HART) Service Center to support humanitarian-based workloads.
- Although COVID reduced office capacity domestically, USCIS officers deployed overseas to conduct in-person refugee interviews and expanded teleconferencing to conduct naturalization interviews.
- The ICE Office of the Principal Legal Advisor (OPLA) implemented new virtual engagement processes that continue to be leveraged to address attorney shortages relative to the expansion of the Executive Office of Immigration Review (EOIR).



## Looking Forward

DHS continues to streamline and improve access to many of the key programs and services involved in administering our nation’s immigration system.

- For example, since January 2021, USCIS has implemented process efficiencies and leveraged hiring surge support to reduce the number of pending naturalization cases by approximately 450,000, a significant achievement in DHS and USCIS efforts to streamline case processing and reduce the backlog of pending naturalization cases.
- ICE-ERO has also expanded its [Virtual Attorney Visitation \(VAV\)](#) program from 13 to 24 of its detention facilities, increasing access to legal representatives by enabling them to meet with clients virtually and confidentially.
- ICE-ERO also developed a web-based [Cash Electronic Bonds \(CeBONDS\)](#) system, providing a fully automated, online capability to verify bond eligibility, make payments, and send notifications to bond obligors.

## Did you know?

The Office of the Principal Legal Advisor is the largest legal program in DHS with over 1,446 attorneys and 267 support personnel. OPLA serves in an operational capacity as the exclusive representative of DHS in removal proceedings and in a support capacity, providing specialized legal advice and a full range of legal services to all ICE.

To address the increasing complexities facing our nation’s immigration system, DHS is taking steps to ensure immigration



## Continuous training and education in the Department

In FY 2023, OPLA’s Strategic Management Division (SMD) produced extensive classroom and virtual training opportunities for OPLA employees nationwide. SMD executed three OPLA 101 new attorney training events, two OPLA 201 experienced attorney training events, one OPLA 301 training event for attorneys working on national security cases, one training event for attorneys working on HSI-related matters, two training events for OPLA’s Field Legal Operations Deputy Chief Counsels, one trial advocacy training event for OPLA headquarters attorneys, and two training events for OPLA Headquarters and Field Legal Operations supervisors. Ensuring the Department’s employees are equipped the knowledge, skills, and abilities to successfully administer our nation’s immigration system continues to be a central priority.





processes and systems are delivered in a safe, orderly, and humane manner, upholding civil rights, civil liberties, and privacy in ways that embody our nation’s highest values.

- For example, the ICE [Office of the Principal Legal Advisor \(OPLA\)](#) is implementing new performance measures to assess efforts to achieve just and fair outcomes in immigration cases, reduce the backlog of cases pending before the Executive Office for Immigration Review (EOIR), and support the ICE client.
- OPLA is also working to prioritize immigration court docket coverage for cases of public safety, national security, or where there would be an injustice if the agency was not represented. To facilitate these efforts, OPLA is expanding the use of video technology so that court coverage in understaffed locations can be augmented through nationwide assistance.

**DHS@20**

On March 1, 2003, USCIS assumed responsibility for the immigration service functions of the federal government. USCIS was founded to enhance the security and efficiency of national immigration services by focusing exclusively on the administration of benefit applications. The Homeland Security Act created ICE and Customs and Border Protection CBP to oversee immigration enforcement and border security.



### USCIS Opens the Humanitarian, Adjustment, Removing Conditions and Travel Documents (HART) Service Center

The HART Service Center is the first to focus on humanitarian and other workload cases. HART will promote cohesive and consistent adjudicative operations. Its dedicated workforce will improve the quality and efficiency of our humanitarian caseload processing. This workforce will continue to receive the robust, specialized training currently provided to employees who are processing these forms. These applications and benefits affect the most vulnerable of noncitizens, and the opening of this service center will make a positive impact in the quality, timeliness, and scale of our humanitarian processing abilities.



## Mission 4: Secure Cyberspace and Critical Infrastructure



### Overview

DHS will continue to protect the American people by preventing and mitigating active cyber threats, strengthening the nation's cyber resilience, driving a "security-by-default" approach with partners, and developing a cybersecurity workforce with the size, skills, diversity, and training necessary to meet our mission, protect our businesses and families, defend critical infrastructure, and forge a more secure future.

Nation-state threat actors are becoming increasingly sophisticated, targeting federal, state, and local government agencies, critical infrastructure, and others. Likewise, cyber criminals have increased their malicious activities motivated by the significant profits they can make from using relatively accessible and affordable ransomware and malware tools. Today, almost anyone can become a hacker.

Whether motivated by profit or ideology, cyber adversaries are willing to harm the American people by targeting businesses, schools, hospitals, police departments, state and local governments, and critical infrastructure.

This includes America's election infrastructure, which is why the Department remains committed to supporting election officials in safeguarding and securing election infrastructure, including continuing efforts to secure all upcoming and future election cycles. There are also actors who have used ransomware during an unprecedented and ongoing global pandemic, disrupting hospitals dealing with surges of COVID-19 patients. We need only look at recent events, such as the SolarWinds supply chain compromise or the ransomware attacks affecting Colonial Pipeline, to see the impacts. In furtherance of the National Cybersecurity Strategy released in March 2023, DHS—through CISA, as the nation's cyber defense agency

### DHS@20

Today, DHS leverages the Cyber Talent Management System (CTMS) to fill mission-critical cybersecurity positions more effectively and efficiently than through traditional hiring tools, screening applicants based on demonstrated competencies, competitively compensating employees, and reducing the time it takes to be hired into the Department. Employees hired through this system will join the new DHS Cybersecurity Service, the Nation's preeminent federal cybersecurity team working to protect U.S. critical infrastructure and the American people from cybersecurity threats, and increase nationwide resilience.



## Management’s Discussion and Analysis

and national coordinator for critical infrastructure security and resilience, as well as other Components that include I&A, ICE, TSA, USCG, and USSS, and in tandem with private sector and SLTT partners, as well as the Intelligence Community, the interagency, and law enforcement as part of a whole-of-government approach—will continue its efforts to manage national cyber risk.

As the majority of the nation’s critical infrastructure is owned by the private sector, effective responses to threats demand also close coordination between the public and private sectors. CISA will continue advancing national efforts to secure and protect against critical infrastructure risks, including implementing a national plan that recognizes both the expanding scale of terrorism and other threats and the emerging cybersecurity challenge of increasingly networked and internet-enabled infrastructure systems. The Department, in close partnership with Sector Risk Management Agencies (SRMAs), will continue its role as the coordinator of the national effort for critical infrastructure security and resilience.

### Mission 4: Key Measure Highlights

Objective 4.1 Support the Cybersecurity of Federal Civilian Networks					
Component		Program		Measure Name	
CISA		Cybersecurity		Percent of federal agencies who meet BOD-22-01 [Known Exploited Vulnerabilities (KEVS)] automated reporting requirement for leveraging CDM reporting	
FY19 Result	FY20 Result	FY21 Result	FY22 Result	New Measure	Targets will be reported in FY 2023-2025 APR
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### Cybersecurity workforce development and challenges for academia

DHS is working with our nation’s private industry, academia, and government to develop and maintain an unrivaled, globally competitive cyber workforce. One of the biggest challenges is the lack of consistency in the way “cybersecurity” is defined. Job descriptions and titles for the same job roles vary from employer to employer. This makes it harder for universities and colleges to prepare students for their first job. Employers spend time and resources retraining new hires and employees don’t have clear career options. The National Initiative for Cybersecurity Education (NICE) Workforce Framework is the foundation for increasing the size and capability of the U.S. cybersecurity workforce. It provides a common definition of cybersecurity, a comprehensive list of cybersecurity tasks, and the knowledge, skills, and abilities required to perform those tasks. In FY 2023, CISA developed 6 NICE Cybersecurity Challenges focused on commonly seen security issues at an electrical substation. The challenges map to the NICE Cybersecurity Workforce Framework and enable students to learn the tasks, knowledge, and skills needed to perform cybersecurity workforce roles. The challenges developed will be used in cybersecurity curriculum developed by the 400+ National Centers of Academic Excellence in Cybersecurity (NCAE-C) designated institutions.



**Objective 4.2 Strengthen the Security and Resilience of Critical Infrastructure**

Component		Program		Measure Name					
CISA		Emergency Communications		Percent of landline priority calls successfully connected using the Government Emergency Telecommunications Service Landline Network					
FY19 Result	FY20 Result	FY21 Result	FY22 Result	FY23 Target	FY23 Result	Met Target	Improved		
99.5%	99.7%	95%	99.5%	99%	99.1%	✓			
CISA		Infrastructure Security		Percent of facilities that are likely to integrate vulnerability assessment or survey information into security and resiliency enhancements					
FY19 Result	FY20 Result	FY21 Result	FY22 Result	FY23 Target	FY23 Result	Met Target	Improved		
88%	86%	85%	91%	85%	93%	✓	✓		
CISA		National Risk Management Center		Number of Committee on Foreign Investment in the United States (CFIUS) related cases reviewed, analyzed, and processed					
FY19 Result	FY20 Result	FY21 Result	FY22 Result	FY23 Target	FY23 Result	Met Target	Improved		
---	---	---	---	1,500	1,183	✓			



**CDM is transforming government cybersecurity operations**

CISA's new Continuous Diagnostics and Mitigation (CDM) Federal Dashboard quickly detected vulnerable systems related to a recent exploit on federal agency networks. Within minutes, CISA leveraged this host-level visibility into federal agency infrastructure to confirm potential risks, alert affected agencies, and actively track mitigation – preventing an active exploit from causing widespread harm across agency systems and impacting essential services upon which Americans depend.



Objective 4.4 Combat Cybercrime							
Component		Program		Measure Name			
USSS		Field Operations		Financial Crime Loss Recovered (in billions)			
FY19 Result	FY20 Result	FY21 Result	FY22 Result	FY23 Target	FY23 Result	Met Target	Improved
---	---	---	---	\$1.00	\$1.11	✓	

### Performance Highlights

Mission 4 performance improved, with DHS taking steps to increase cybersecurity in Federal Civilian Executive Networks. Despite challenges in competing with private industry, DHS also continues taking steps to attract, hire, and retain cyber skilled professionals.

Examples of DHS performance in this space include:

- CISA increased its capacity and capability to detect and respond to vulnerabilities, threats, and attacks in Federal Executive Civilian Branch (FECB) networks by reducing the Domain Name System egress traffic bypassing CISA’s Domain Name System filtering capabilities and implementing cyber-related Binding Operational Directive (BOD) initiatives.



### First Nationwide Alert, Warning & Notification Meeting

In April 2023, CISA’s Emergency Communications Division, along with FEMA and the Federal Communications Commission (FCC), co-hosted the first ever Nationwide Alert, Warning, & Notification Meeting in St. Louis. The meeting brought together over 100 representatives from federal agencies, states, tribal nations, cities, and counties to share best practices and challenges to getting timely information out to the public during immediate crisis. Topics included multilingual alerts, reaching the deaf and hard of hearing community, crafting alerts to gain the best action, and future rulemaking for Wireless Emergency Alerts.



- USSS Field Operations processed steadily increasing volumes of data (over 26 petabytes during FY22) in efforts to combat pandemic-related and other cybercrime.
- CISA's Infrastructure Security Division (ISD) has increased engagements with election stakeholders, and despite pandemic and post-pandemic related challenges, critical infrastructure owners and operators continue to adopt recommendations to enhance security and resiliency at an increasing rate.

## Did you know?

The National Summit on K-12 School Safety and Security, hosted by CISA, on November 1–3, 2022, was a first-of-its-kind, virtual event convening federal, state, and local school leaders to share actionable recommendations that enhance safe and supportive learning environments in K-12 schools.

## Looking Forward

DHS continues leveraging the strength of its partnerships to address the proliferation of cyber threats facing our nation today.

- In 2021, CISA established the Joint Cyber Defense Collaborative (JCDC), which brings together partners from the federal government, SLTT governments, and private industry to address the most significant cyber threats. With representation from nearly all the 16 critical infrastructure sectors, the JCDC has improved communication and cooperation between industry and government, leading to strong strategic and operational alliances with the cybersecurity community; increased visibility and insight into the cyber threat landscape; diverse resources and expertise to fuel creative cybersecurity solutions; and vastly amplified capacity to gather, analyze, and share information to defend against cyber threats. Paired with the pre-planning capabilities of CISA's Cybersecurity Advisory Committee (established in 2021) and the after-action analysis capabilities of CISA's Cyber Safety Review Board (CSRB) (established in 2022), DHS will continue leveraging the JCDC for planning and real-time event coordination.

DHS continues its efforts to combat the illicit use of virtual currencies and digital assets, leveraging partnerships, new technologies, and other process improvements to counter this quickly evolving threat.

- While ICE-HSI's Cyber Crimes Center is working to enhance and expand HSI's intrusion response and investigative capabilities, the HSI Financial Crimes Unit (FCU) is leveraging its newly created Cyber Financial Section (CF) (established FY

## DHS@20

Today, DHS will prevent millions of dollars of potential loss through cybercrime investigations, seize more than \$14.5 million in currency and assets as a result of cybercrime investigations, triage more than 100 cyber incidents reports, complete 3 cybersecurity assessments for government agencies and private organizations, and process 110 requests for technical assistance for cyber threats, 4 of which will involve cases of ransomware.



## Management’s Discussion and Analysis

2022) to educate and support HSI special agents with virtual currency investigations.

- The USSS National Computer Forensics Institute (NCFI) continues to successfully leverage innovative technology and experienced instructors to train state and local law enforcement officers, prosecutors, and judges on digital evidence collection and analysis, and the USSS Cyber Fraud Task Forces (CFTFs) continue to stand as a proven model for collaboration, ensuring special agents and support personnel have access to the tools, capabilities, training, and infrastructure to combat advanced criminal cyber actors that threaten the nation’s financial systems.

**DHS@20**

In CISA’s role as the nation’s cyber defense agency and the national coordinator for critical infrastructure security, CISA works with critical infrastructure partners every day to address the evolving threat landscape. CISA’s 2023-2025 Strategic Plan is the agency’s first, comprehensive strategic plan since CISA was established in 2018, and represents a major milestone for the agency.

### DHS remains committed to developing a cybersecurity workforce with the size, skills, diversity, and training necessary to forge a more secure future.

- The Department’s Cyber Talent Management System (CTMS) is being leveraged by DHS Components to move more quickly than under traditional federal hiring authorities; compete with private sector compensation; and hire applicants based on skills, and aptitude. Components whose core missions have a cyber nexus—like CISA, ICE-HSI, and USSS—are continuing to engage with the Cyber Community through conferences like Women in Cybersecurity, coordinate in-person hiring and job fairs, and are aligning efforts to reach key talent pools (e.g., veterans). DHS continues to place diversity, equity, inclusion, and accessibility at the center of its cyber talent hiring and retention efforts because this is a challenge that affects all Americans, and every perspective is needed at the table.



### Sharing resources and building capacity in partner nations

CISA Office of the Chief Learning Officer (OCLO) delivered a Cybersecurity Workforce Development Workshop in the Philippines in April 2023. Sponsored by CISA International and developed in coordination with a NIST colleague, the 3-day workshop gave representatives of the Filipino government information and best practices on development of a cybersecurity awareness program and to build, educate and train a national cybersecurity workforce. The 45 students represented 4 agencies and expressed excitement to use the tools presented to implement their national cybersecurity workforce strategy.



## Mission 5: Build a Resilient Nation and Respond to Incidents



### Overview

The Department is working to create a set of tools and reforms to promote national resilience and adaptation, bolster innovation and partnerships, and look internally at its own roles and responsibilities to decrease the risks posed to our nation by climate change.

Even with significant interventions, the planet will continue to warm, causing increasingly serious impacts on the American people and on DHS's missions and its workforce. Severe and frequent natural disasters, rising ocean temperatures, shrinking sea ice, rising sea levels, wildfires, heatwaves, droughts, and ocean acidification all produce serious threats. We have already experienced record rain events and wildfires, as well as increases in the number of coastal storms and inland flooding. Rising temperatures and natural disasters also increase the risk of infectious diseases. Such events disrupt our economy, result in loss



### Improving potable water supply through Hazard Mitigation Grants

In January 2023, FEMA announced the approval of the first phase for the construction of a reservoir in the Valenciano River and expansion of the Valenciano Water Treatment Plant to address ongoing drought conditions in Guaynabo, Puerto Rico, and improve potable water supply. The reservoir will have a capacity of 12.7 million cubic meters of water and receive more than \$18.5 million of funding from FEMA's Hazard Mitigation Grant Program (HMGP). The project will offer enough water storage and pumping capacity to ensure a steady water supply for the area.



## Management's Discussion and Analysis

of life and property, and cause suffering for millions of Americans and their communities. Moreover, chronic underinvestment in underserved communities leave residents more susceptible to the effects of severe weather events and make recovery more difficult afterwards.

To address these challenges, the Department is enhancing national resilience to ensure that a warmer country is not a more dangerous one, promoting climate literacy, driving innovation, and creating new incentives for resilience and adaptation. While we work to develop community resilience, we must also create the response capabilities that the nation needs in this new era of climate change-exacerbated natural disasters. Increasingly, DHS Components are responding year-round to severe weather events and other climate-related disasters, placing great strain on resources and personnel. To succeed in this environment, the Department is focused on reducing its carbon footprint, on creating a workforce structure that can function on a sustainable deployment and reset cycle, and on establishing a robust, integrated surge force capable of rapidly responding year-round to events.

DHS will continue to prioritize programs and projects based on their contribution to resilience, sustainability, energy, water efficiency, and benefit to historically disadvantaged communities with environmental justice concerns, while supporting the execution of DHS missions. We will continue to identify and consider potential effects of DHS's actions to ensure there is not a disproportionate impact on low-income or minority populations.

### Did you know?

Just one inch of water inside an average home can cause upwards of \$25,000 in damage. Flood damage is generally excluded from standard homeowners' insurance policy. Insurance provided by FEMA's National Flood Insurance Program is a keyway to protect homes and property from flood losses.



### Recovery and investigation of the Titan submersible

From June 19-22, 2023, the Coast Guard led a Unified Command in the search for and recovery of the missing submersible Titan in the Northern Atlantic. The search effort included over 10 ships and remotely operated submersibles, as well as six aircraft across a lateral area of over 10,000 square miles and depths of over 4,000 feet. The Coast Guard convened a Marine Board of Investigation and is working with counterparts from Canada, France, and the United Kingdom to determine the causes of the incident.



## Mission 5: Key Measure Highlights

Objective 5.1 Coordinate Federal Response to Incidents							
Component	Program		Measure Name				
USCG	Maritime Prevention		Three-year average number of serious marine incidents				
FY19 Result	FY20 Result	FY21 Result	FY22 Result	FY23 Target	FY23 Result	Met Target	Improved
748	612	605	522	≤ 626	488	✓	✓
USCG	Maritime Response		Percent of people in imminent danger saved in the maritime environment				
FY19 Result	FY20 Result	FY21 Result	FY22 Result	FY23 Target	FY23 Result	Met Target	Improved
78%	86.5%	81.7%	83.3%	80%	88.5%	✓	✓
Objective 5.2 Strengthen National Resilience							
Component	Program		Measure Name				
FEMA	Grants		Percent of capability building Homeland Security Grant Program projects that align to closing state, territory, and urban area identified capability gaps				
FY19 Result	FY20 Result	FY21 Result	FY22 Result	FY23 Target	FY23 Result	Met Target	Improved
---	79.5%	91.9%	86.2%	90.5%	84.8%		
FEMA	Mitigation		Percent of U.S. population (excluding territories) covered by planned mitigation strategies				
FY19 Result	FY20 Result	FY21 Result	FY22 Result	FY23 Target	FY23 Result	Met Target	Improved
87%	84.4%	83.2%	85.5%	85%	83.9%		



### Helping survivors recover after Hurricane Ian

FEMA’s National Flood Insurance Program (NFIP) responded to more than 48,000 policyholders across Florida, Georgia, South Carolina, North Carolina, and Virginia following Hurricane Ian in September 2022. As of July 2023, the NFIP has paid more than \$4.3 billion in claims, and the average payment on closed claims for Hurricane Ian is over \$111,000. Across the nation the NFIP insures more than 4.7 million Americans and \$1.3 trillion in assets against the financial devastation created by flooding.



Objective 5.2 Strengthen National Resilience (cont'd)							
Component	Program			Measure Name			
FEMA	National Flood Insurance			Number of properties covered with flood insurance (in millions)			
FY19 Result 4.3	FY20 Result 4.1	FY21 Result 4.0	FY22 Result 3.8	FY23 Target 5.0	FY23 Result 4.7	Met Target	Improved ✓
FEMA	Preparedness and Protection			Percent of adults that took multiple preparedness actions at their workplace, school, home, or other community location in the past year			
FY19 Result 62%	FY20 Result 68%	FY21 Result 59%	FY22 Result 55%	FY23 Target 52%	FY23 Result 57%	Met Target ✓	Improved ✓
FEMA	Regional Operations			Average annual percentage of administrative costs for major disaster field operations, as compared to total program costs			
FY19 Result 29.2%	FY20 Result 25.9%	FY21 Result 26.4%	FY22 Result 17.7%	FY23 Target ≤ 17.9%	FY23 Result 33.8%	Met Target	Improved

Objective 5.3 Support Equitable Community Recovery							
Component	Program			Measure Name			
FEMA	Response and Recovery			Percent of applicants satisfied with simplicity of the Individuals and Households Program			
FY19 Result 78.1%	FY20 Result 82%	FY21 Result 80%	FY22 Result 76.6%	FY23 Target 90%	FY23 Result 78.1%	Met Target	Improved ✓



### Confronting extreme heat

Ahead of FEMA’s first ever “#SummerReady” campaign, Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin) hosted the first annual Extreme Heat Summit, where subject matter experts discussed the challenges extreme heat poses. This campaign will not only offer easy-to-understand messaging and safety tips for the public but will also provide government stakeholders, emergency managers, and members of the media with FEMA resources they can use to communicate these risks to residents and mitigate the impacts of extreme heat events in their communities.



Objective 5.4 Strengthen National Resilience (cont’d)							
Component	Program			Measure Name			
FEMA	Education, Training, and Exercises			Percent of supervisors of students trained who believe their staff are better prepared as a result of National Fire Academy training			
FY19 Result 89.4%	FY20 Result 92.2%	FY21 Result 92.5%	FY22 Result 93.3%	FY23 Target 87%	FY23 Result 92.1%	Met Target ✓	Improved

### Performance Highlights

Mission 5 was impacted by workload increases in the post-pandemic environment, and the growing severity, frequency, and occurrence of disasters is contributing to downward trends in performance.

- In response to the COVID emergency and managing the transition into the post-pandemic environment, FEMA provided front-line support through mass vaccination sites and coordination across regions, providing over \$87 billion in assistance for COVID-related events and developing COVID-19 Resource Roadmaps to help communities navigate pandemic recovery.



### 2023 Caribbean readiness initiative

From May 22-25, 2023, FEMA supported 17 exercises across ten locations in the United States Virgin Islands. The exercises included more than 300 participants and provided an opportunity for federal and territorial partners to evaluate disaster response plans, address gaps in evacuation and sheltering operations, and discuss long-term recovery considerations. These exercises also enhanced coordination efforts and strengthened the territory’s knowledge of all phases of disaster management.



- The growing severity of disasters increases the time it takes for communities to recover, further complicated by repeat events in areas already struggling to bounce back. FEMA is implementing disaster customer service initiatives and other programmatic innovations such as Justice40 (see DHS APG) to advance equity across disadvantaged communities.
- Supporting both disaster and mission essential functions as non-Stafford Act capabilities expand—such as the pandemic response or supporting humanitarian crises—creates challenges for operational capacity.
- The Coast guard continues to respond to people in imminent danger in the maritime environment at approximately the same rate as historic trends, despite increases in maritime migration and the volume of recreational boaters in the post-pandemic environment.

## DHS@20

As the nation celebrated the 33rd anniversary of the Americans with Disabilities Act (ADA) in July 2023, FEMA commemorated its ongoing efforts to advance accessibility in the agency's mission to help people before, during and after disasters. The ADA guides FEMA's commitment to improving services and programs to be equitably available to people with disabilities and others with access and functional needs.



## Chemical, Ordnance, Biological and Radiological (COBRA) training facility upgrades

FEMA's Center for Domestic Preparedness (CDP) recently completed more than \$3 million in upgrades to its Chemical, Ordnance, Biological and Radiological (COBRA) Training Facility—the only place in the country where civilian responders train with chemical agents and toxic biological materials. The upgrades provide more dynamic and challenging scenarios for the 2,500 responders who train in the facility each year to gain the confidence to deal with hazardous substances in real-world incidents.



## Looking Forward

DHS is taking steps to address climate change that include new incentives for resilience and adaptation, modernizing grant programs, and increasing equity in preparedness and response efforts as underserved communities are often disproportionately impacted by climate change.

- Together with FEMA's Flood Mitigation Assistance and Hazard Mitigation Grant Programs, DHS will continue to prioritize making resources accessible to all communities, including those in underserved areas, and to empower them to take actions that reduce risk and increase resilience to environmental threats to life and property.
- As part of these forward-looking efforts, FEMA is developing a service delivery model for providing integrated, place-based assistance to disadvantaged communities; enhancing BRIC grant program direct technical assistance; and improving access to FEMA programs through Benefit-Cost Analysis (BCA) enhancements across all mitigation programs.

DHS is leveraging data and technology to improve the services and programs that help to create a nation that is more resilient and better prepared to respond to incidents.

- For example, FEMA is conducting foundational research and development with S&T for a new interoperable fire information and analytics platform that will include direct data capture, analytics, dashboard reporting, and data exchange via an Application Programming Interface (API).
- In other areas, FEMA's Future of Flood Risk Data (FFRD) initiative is working to provide a more comprehensive picture of the country's flood hazards and risks by

### Did you know?

FEMA is implementing the Community Disaster Resilience Zones Act, signed December 20, 2022, to build disaster resilience across the nation. FEMA will create and designate resilience zones, which will identify disadvantaged communities most at-risk to natural hazards to receive targeted support to access federal funding for resilience projects.

### DHS@20

DHS staff often deploy to support response and recovery efforts. 2012 was the first activation of the DHS surge capacity force, with 1,100+ DHS employees working to respond to Hurricane Sandy. In 2017, 2,740 DHS surge force members responded to a series of devastating hurricanes (Harvey, Irma, and Maria) and to the California wildfires. Again in 2021, DHS employees surged to support the nation during the COVID-19 pandemic, providing critical support at vaccination centers.

leveraging new technologies to include more efficient, accurate, and consistent flood risk information across the nation, and to communicate that information in new and innovative ways to motivate people to take action.

- Looking ahead, FEMA will continue efforts to develop enterprise data services, analytics, and geospatial capabilities and implement the FEMA 2023-2027 Data Strategy to create a "share by default" vision and culture across the agency.

DHS is taking steps to address the strain put on personnel and resources as DHS increasingly responds year-round to severe weather events and other climate-related disasters.

- FEMA remains focused on developing and implementing a workforce readiness cycle that accounts for sustained increases in operational tempo while allowing for adequate training, rest, and rest periods, with an additional focus on improving recruitment and retention efforts and enhancing training and professional qualification opportunities.
- FEMA and DHS will also continue efforts to strengthen the National Response Coordination Center and Regional Response Coordination Centers, and to establish a robust, integrated surge force capable of rapidly responding year-round to events.

## Did you know?

FEMA’s Grants Management Technical Assistance program is available at no cost to state, local, tribal, and territorial partners. Three hundred and ninety-four individuals attended the Fundamentals of Grants Management course in FY23, which covers the grant lifecycle for federal financial assistance. The program also includes a digital resource library for independent learning.



## Responding to the Maui wildfires

The wildfires that occurred on the Hawaiian island of Maui in August 2023 were among the deadliest on record in the U.S. and devastated local communities. The Department responded to this crisis, working closely with state, county, and federal partners to aid active response and recovery efforts. More than 190 search and rescue team members and 420 FEMA employees were deployed to assist Hawaii residents in their greatest time of need, including 98 Disaster Survivor Assistance staff. As of September 8th, 2023, FEMA has approved more than \$65 million in federal assistance for Maui survivors assisting more than 5,000 survivors. Other DHS agencies are also assisted in response and recovery efforts. CISA conducted assessments of critical infrastructure and communication systems and coordinated with private sector partners to establish temporary communication solutions, the Coast Guard performed underwater surveys of the Lahaina harbor using sonar technology to identify structural damage, and CBP had special teams working around the clock providing search, rescue, and security assistance to the brave people of Maui.



## Mission 6: Combat Crimes of Exploitation and Protect Victims



### Overview

The Department is enhancing its efforts to combat crimes of exploitation—child sexual exploitation and abuse (CSEA), human trafficking, and labor exploitation—and protect victims.

These crimes, which occur at alarmingly high rates, represent not only a direct attack on our values and personal and public safety, but also threaten our physical and virtual borders, our immigration and customs systems, our prosperity, and our national security. Accordingly, the Department has redoubled its efforts to combat these crimes and is committed to further enhancing its work in this space.

To do this, a victim-centered approach that seeks to minimize additional trauma, mitigate undue penalization of victims, and provide needed stability and support to victims of trafficking and exploitation is critical. This approach helps survivors begin to repair their lives and enables law enforcement to better detect, investigate, and prosecute perpetrators. Across the Department, 11 Offices and Components that interact with victims or carry out related mission sets drafted plans in FY 2022 to incorporate a victim-centered approach into all relevant policies and programs. Going forward, DHS will continue to enhance and mature its work to combat crimes of exploitation.

### Performance Highlights

Mission 6 workload increases are being driven by the growth in crimes committed in the virtual environment, which saw a dramatic spike during the COVID-19 pandemic.

Examples of DHS performance in this space include:

- Child exploitation cases and child rescues spiked during the COVID-19 pandemic and this trend continued as the pandemic changed to an endemic phase. A large majority of cases were

### DHS@20

The HSI Victim Assistance Program (VAP) was established in 2008 to provide full time designated professionals to assist with victims identified in HSI investigations. VAP personnel consist of Forensic Interview Specialists, Victim Assistance Program Specialists, and Headquarters personnel. Since 2008, VAP has continued to contribute significantly to criminal investigations by recommending resources to help stabilize crime victims plus conducting forensic interviews of them to gain details about their offenders.





## Management's Discussion and Analysis

solved through cell phone forensics, as cell phones are the most common platform predators use. Child exploitation investigators have a limited exposure time in their career to exploitation images and need rotational assignments to limit exposure for mental health and wellness.

- COVID continued to impact the ability to train and onboard new agents in sufficient quantity.
- Most investigations now have a cyber-nexus but monthly changes in technology make it difficult to keep pace with the technology and equipment needed.

## Looking Forward

### DHS leverages leading-edge technology to counter crimes of exploitation and protect victims.

- S&T develops and deploys forensic tools and technologies that enable the ICE-HSI Child Exploitation Investigations Unit (CEIU) and other national and international law enforcement partners to identify and locate child victims of online sexual exploitation.
- S&T is also supporting the ongoing test and evaluation of field-portable handheld detection technologies and is coordinating a beta prototype deployment of advanced detection technologies to better target, interdict, and investigate illicit opioid and other narcotic smuggling into the U.S. (e.g., fentanyl).



## DHS efforts to combat today's most heinous crimes

in light of the prevalence and severity of crimes of exploitation—including human trafficking, labor exploitation, and child exploitation—DHS has enhanced its efforts to combat these heinous crimes. This prioritization is reflected in their inclusion in the Department's 2022 and 2023 priorities, Departmental budget requests for fiscal years 2023 and 2024, and now the Third QHSR where this work is recognized as a full mission of the Department. This is the first time the mission to Combat Crimes of Exploitation and Protect Victims has been included as a homeland security mission in the QHSR. This step reflects the overriding importance of supporting victims and stopping perpetrators, as well as the heroic work of the DHS workforce and our partners in the homeland security enterprise. Every day they work to investigate, apprehend, and prosecute offenders, and to identify, protect, and support victims. DHS works to raise awareness of these threats and provides training to those who may encounter victims of human trafficking and other crimes of exploitation. This work will continue to grow and its identification as a full mission of the Department lays the groundwork for necessary enhancements, including planning, increased budget requests, operational cohesion, and partnerships.



DHS continues efforts to address crimes of exploitation and protect the victims of CSEA, human trafficking, and labor exploitation.

- DHS is prioritizing the fight against these crimes by establishing and growing the DHS Center for Countering Human Trafficking (CCHT) to enhance prevention through public education and training; identify, protect, and support victims; and detect, apprehend, and disrupt perpetrators of exploitation.
- As another example, ICE-HSI expanded the HSI Victim Assistance Program (VAP) in FY 2022 and continued expanding the program throughout FY 2023, leading to increases in the identification of victims of child sexual abuse and human trafficking, victim referrals for social services in local communities, and forensic interviews using trauma-informed, victim-centered methods.<sup>5</sup>

## Did you know?

The HSI Forensic Laboratory processes over 23,000 pieces of evidence and completes over 1,500 cases a year. Fingerprint Specialists and Forensic Document Examiners provide expert witness testimony in U.S. District Court and Administrative Hearings.



## Raising public awareness about human trafficking

Part of the DHS CCHT, the Blue Campaign is a national public awareness campaign designed to educate the public, law enforcement, and other industry partners to recognize the indicators of human trafficking, and how to appropriately respond to possible cases. The Blue Campaign works closely with DHS Components to develop general awareness trainings, as well as specific educational resources to help reduce victimization within vulnerable populations. The Blue Campaign leverages partnerships with the private sector, non-governmental organizations (NGO), law enforcement, and state/local authorities to maximize national public engagement on anti-human trafficking efforts. The Blue Campaign's educational awareness objectives consists of two foundational elements, prevention of human trafficking and protection of exploited persons.

<sup>5</sup> The HSI Victim Assistance Program (VAP) was established in 2008 in HSI. VAP personnel are responsible for assisting victims in HSI criminal investigations in accordance with federal victims' rights laws. VAP personnel consist of Forensic Interview Specialists, Victim Assistance Program Specialists, and Headquarters personnel. VAP personnel work in close coordination with HSI Special Agents to integrate victim assistance into HSI criminal investigations, including investigations of human trafficking, child exploitation, financial crimes, and human rights abuses. Using a victim-centered, trauma-informed, and culturally sensitive approach, and treating victims with dignity and respect, VAP personnel provide services and rights to victims and conduct forensic interviews of victims and witnesses in support of HSI criminal investigations. Fundamental to VAP's mission is assisting victims and restoring victims' well-being, all of which contribute to a victim's ability to become an effective witness and participate in the criminal justice process. Since 2008, VAP has continued to contribute significantly to HSI criminal investigations by recommending resources to help stabilize crime victims and conducting forensic interviews to obtain details beneficial to the investigation.



- DHS will also build on existing efforts at USSS and HSI's Cyber Crimes Center, leveraging public awareness campaigns to counter the rapidly escalating crisis of online CSEA, with the goal of educating children, caregivers, policymakers, and the broader public about this growing threat.

DHS labor exploitation enforcement and other related efforts continue to have a significant impact on the well-being of individuals and the fairness of the labor market, with DHS efforts focused on

addressing unscrupulous employers who exploit the vulnerability of undocumented workers and on upholding the dignity of the individual.

- As DHS continues its efforts to assist victims and combat and prevent crimes of exploitation such as human trafficking, labor exploitation, and CSEA, DHS will continue to deliver trainings and outreach as part of its nationwide efforts to raise public awareness and encourage victim identification.

## DHS@20

In 2010, Executive Order 13558 created the Export Enforcement Coordination Center (E2C2). The Executive Order delegates an E2C2 directorship, led by Homeland Security Investigations, as the lead executive agency of daily operations and functions. The E2C2 leads a whole-of-government approach to export enforcement by ensuring interagency coordination, facilitates multi-agency collaboration, minimizes duplication of efforts, and strengthens the critical links between law enforcement, the intelligence community, and the export licensing agencies.

A photograph of a CBP Field Operations Federal Officer. The officer is wearing a dark blue uniform with "CBP" and "FIELD OPERATIONS FEDERAL OFFICER" printed in large, light-colored letters on the back. The background is blurred, showing what appears to be a vehicle with red and blue lights, suggesting a law enforcement or border patrol setting.

CBP  
FIELD OPERATIONS  
FEDERAL OFFICER

## DHS has become a global leader in forced labor enforcement

For example, CBP is one of the few government agencies in the world granted legal authority to take enforcement action against imported goods sourced from entities using forced labor to produce them. CBP is actively engaged in the expansion of Uyghur Forced Labor Prevention Act (UFLPA). In 2023, CBP has currently identified roughly 3,600 entries valued at close to \$817 million for possible forced labor violations, including more than 1,500 entries valued at nearly \$500 million targeted under the UFLPA. Through robust enforcement, CBP combats the economic incentive behind forced labor and undermines the profitability of forced labor practices while encouraging strong labor reforms from producers in international supply chains.



# Enable Mission Success by Strengthening the Enterprise



## Overview

DHS will continue to build its capacity to conduct its critical missions and anticipate the challenges to come. Essential to this is better understanding and protecting against threats from emerging technologies, as well as developing our most important assets: people, physical assets, data, and technology.

DHS will focus on developing and deploying new technologies and capabilities to execute our missions efficiently and effectively. DHS must be a leader in the responsible use and adoption of emerging technologies, including AI and biometric capabilities. At the same time, we must be alert to the ways in which threat actors could leverage such technologies and develop the necessary policies and means to mitigate those risks.



## FLETC conducts ribbon cutting on new dormitory at FLETC-Artesia

On April 12, 2023, FLETC conducted a ribbon cutting ceremony for the opening of a new dormitory at the FLETC-Artesia, New Mexico Training Delivery Point (TDP). The dormitory is a state-of-the-art facility utilizing the latest innovative technology in construction, energy conservation, and information technology. It will provide FLETC a greater capacity to train America's future law enforcement officers. The new dorm contains 121 rooms and provides an additional 242 bed spaces for FLETC-Artesia. Construction started in August 2021, with the project concluding in March 2023.



## Management’s Discussion and Analysis

Recognizing the value of science to many aspects of the homeland security mission, the Department is also seeking to expand its work in foundational and emerging research. To get solutions into the hands of operators, we must develop new business opportunities to promote technology transfer and commercialization of DHS-funded research.

The Department’s ability to eliminate or reduce gaps in transitioning from innovation to deployment will benefit the entire homeland security enterprise, increasing mission effectiveness and supporting a distinct market for homeland security solutions.

In addition to these capability building efforts, the Department is focused on building capacity for the core of the homeland security mission—the DHS workforce, together with our partners across the homeland security enterprise. The Department is committed to strengthening the homeland security enterprise by increasing workforce morale; improving recruitment, hiring, and retention efforts; enhancing career development opportunities; and improving performance management. As the third-largest department in the Federal Government and the nation’s largest law enforcement agency, the health and well-being of our workforce is at the center of the Department’s efforts to put our people first and elevate the human experience at DHS.

### Did you know?

S&T’s National Biodefense Analysis and Countermeasures Center is the only high containment facility in the country dedicated to providing biological threat characterization and forensic analysis on biological agents and features the nation’s only Biosafety Level-4 aerosol capability.



### Reaching the public faster and more effectively

S&T hosted a demonstration of its Wildland Urban Interface capability, highlighting research and development to enhance public emergency alerts. In partnership with FEMA and other organizations, S&T identified opportunities to integrate unattended flood and fire systems with FEMA’s Integrated Public Alert & Warning System and create new alert delivery endpoints. Real-time alerting can save many lives while mitigating risks that pose an economic and environmental threat to the country.



As the third largest department in the Federal Government, DHS collects and holds significant amounts of data. It is critical to leverage this data and improve our technologies, processes, and services to the greatest effect possible to accomplish our missions, while ensuring legal requirements and privacy safeguards are met. DHS is entrusted with handling the sensitive personal information of Americans, visitors, and businesses when there is a nexus to homeland security, and it is our duty to handle it responsibly and securely. To do this effectively, we must conduct this work- in a manner worthy of the public's trust. While DHS endeavors to build its capacity and capability, we also recognize that the homeland security enterprise has never been more fit for the mission before us: we safeguard the American people with honor and integrity. The core capabilities of our Department have become key to solving the challenges of tomorrow.

## DHS@20

As of September 30, 2023, FLETC has trained over 1.6 million federal, state, local, territorial, tribal, and international law enforcement officers in support of FLETC's mission to safeguard America's people, property, and institutions.



## Big Wing

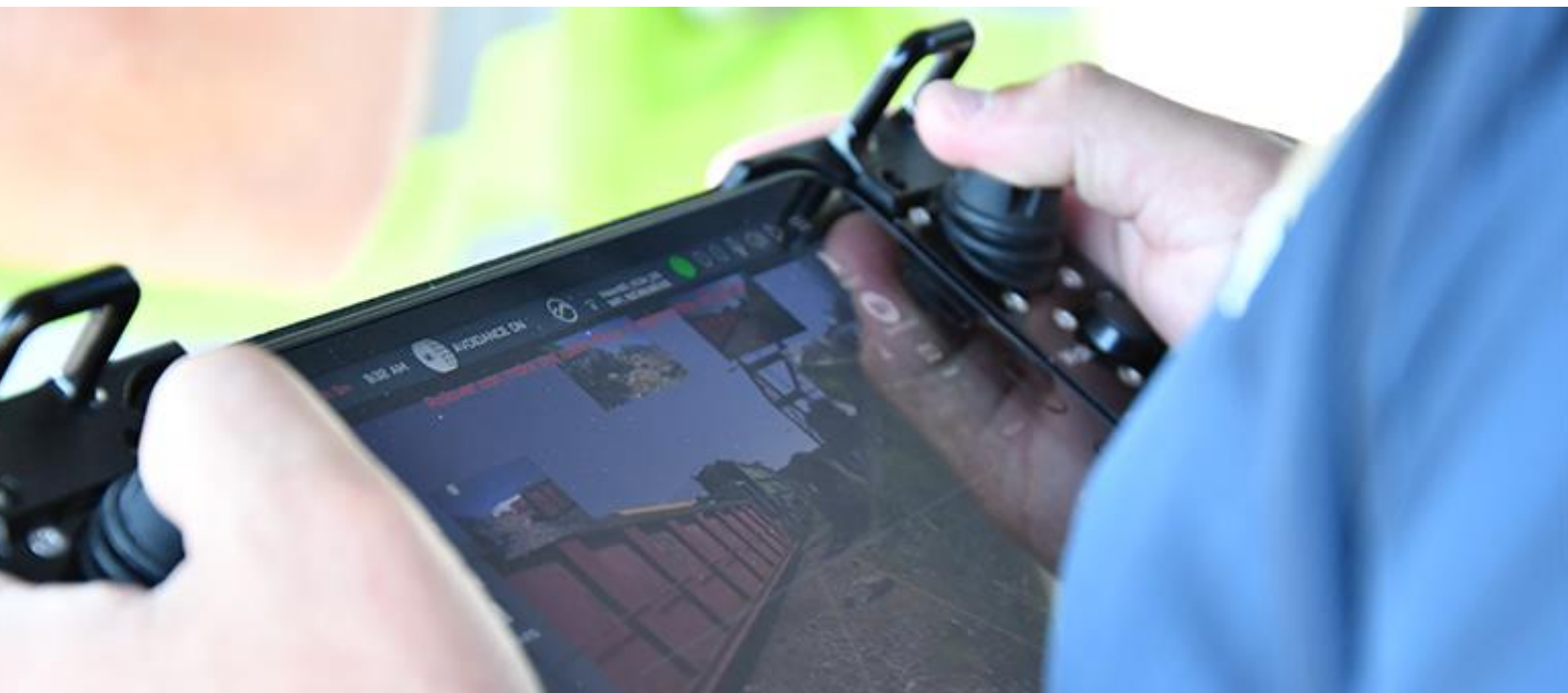
As the result of a cooperative developmental effort with S&T, CBP delivered the first MQ-9 Unmanned Aircraft System in the Big Wing configuration. Big Wing incorporates an enhanced de-ice capability and is designed to fly over the horizon via satellite for over 30 hours (a 50% endurance/range increase) while safely operating in both civil and international airspace, enabling DHS to provide real-time situational awareness day or night in the land and maritime domains.



## Enabling Mission Highlights

Objective E.2 Champion the Workforce							
Component	Program			Measure Name			
FLETC	Federal Law Enforcement Training Centers			Percent of Partner Organizations satisfied with Federal Law Enforcement Training Centers’ training			
FY19 Result 100%	FY20 Result 100%	FY21 Result 94%	FY22 Result 93%	FY23 Target 92%	FY23 Result 98%	Met Target ✓	Improved ✓

Objective E.3 Harness Data and Technology to Advance Mission Delivery							
Component	Program			Measure Name			
S&T	Science and Technology			Percent of technology or knowledge products transitioned to customers for planned improvements in the Homeland Security Enterprise			
FY19 Result ---	FY20 Result 66%	FY21 Result 72%	FY22 Result 68%	FY23 Target 72%	FY23 Result 83%	Met Target ✓	Improved ✓



### Multi-energy portal demonstration

S&T installed, tested, and fixed multi-energy drive-through systems to enable CBP to non-intrusively inspect cargo at some Ports of Entry. The systems use low energies to safely scan an occupied cab and have higher penetrating x-rays to scan cargo. This is the first pre-primary cargo inspection system for CBP, and it has increased the daily average of cargo scanned from 24% to over 80%.



## Performance Highlights

DHS interacts with more members of the public every day than any other federal agency, and is focused on using technology and other levers to improve customer experience, enhance service delivery, and maximize the Department's capacity and capability.

- As COVID-related travel and safety restrictions subsided, FLETC experienced high demand, training nearly 67,000 federal, state, local, tribal, and international officers and agents in basic and advanced programs, and FLETC continued to receive high customer satisfaction scores.
- New FLETC facilities and other physical infrastructure improvements are beginning to come online, which will help address training capacity challenges.
- In general, mission support offices (e.g., OSEM, MGMT) did not see significant (or any) decreases in performance and results remained overall steady despite the transition to virtual and hybrid work solutions in the post-pandemic environment.

## DHS@20

On September 19, 2022, DHS became the first federal agency to debut a battery electric vehicle (EV) fitted for performing law enforcement functions at the FLETC Office of Cheltenham Operations. The Ford Mustang Mach-E is the first of a variety of EVs DHS plans to field across its different law enforcement missions throughout the homeland. DHS is proactively seeking to reduce greenhouse gas emissions, EVs have the potential to significantly improve federal fleet efficiency and reduce vehicle operation and maintenance costs.

## Looking Forward

DHS is working to plan for and respond to advances in emerging technologies, which will present opportunities for improvements in commercial activity, public health, critical infrastructure, network connectivity, and aviation security.

- S&T is supporting this effort across DHS Components, coordinating with TSA to deliver a new, compact version of an advanced carry-on baggage screening system; with USCG to leverage space-based technologies and the versatility of commercially available solutions to improve the effectiveness and efficiency of its iceberg monitoring program; with CBP to develop technologies to increase the detection capability of CBP's existing fleet of standard wing MQ-9 Unmanned Aircraft Systems (UAS); and across DHS Components to deploy Team Awareness Kits (TAK) to support federal agency response during natural disasters and coordinated operations.
- DHS is also looking ahead and planning for the opportunities presented by trustworthy artificial intelligence (AI), quantum information science, advanced communications technologies, microelectronics, nontechnology, high-performance computing, biotechnology and biomanufacturing, robots, advanced manufacturing, financial technologies, undersea technologies, and space technologies. Continuing to support DHS efforts to keep pace with advances in science and technology. For example, the DHS AI Task Force (AITF) is conducting a program and mission space



## Management’s Discussion and Analysis

analysis, and a Quantum Information Sciences and Technologies Workshop occurred late August 2023.

DHS continues to test, train, and integrate new UAS detection and mitigation equipment to protect the homeland in collaboration with the Federal Aviation Administration (FAA) and interagency partners.

### Did you know?

All detection systems in place at U.S. airports, from carry-on baggage checks to the personnel X-ray machines, were tested and evaluated at S&T’s Transportation Security Laboratory.

- For example, CBP AMO plans to conduct a technology demonstration of the medium UAS (M-UAS) in the maritime environment to characterize the performance and utility of M-UAS in an operational environment. The technology demonstration of M-UAS will provide evaluators with a proof of concept of a technology that could potentially bridge the gap between AMO’s traditional light enforcement aircraft support and U.S. Border Patrol requirements in between ports of entry.
- Among other efforts, CISA is also partnering with S&T and the National Urban Security Technology Laboratory to establish counter UAS (C-UAS) interoperability guidance between federal and SLTT authorities. CISA is also developing UAS guidance for federal, SLTT, and private sector organizations owning and operating UAS to support sensitive or national security operations.



### The evolving FLETC mission

Since it was established in 1970, the FLETC has provided basic and advanced training to federal, state, local, rural, tribal, territorial, and international law enforcement personnel. With decades of experience meeting the training needs of multiple law enforcement communities, the FLETC was poised to embrace a broadened mission when it formally transferred from the Treasury Department to the Department of Homeland Security in 2003. The transition to DHS prompted a refocusing of many FLETC training programs as well as the creation of new ones to meet emerging needs, such as anti/counter-terrorism, flying armed, intelligence awareness and critical infrastructure protection. The rapid advancement of technology and the borderless nature of many crimes highlighted a need for enhanced training in technical areas such as computer forensics, cyber investigations, and financial fraud. The recognition that terrorism can occur anywhere at any time led to a rural training initiative that ensures officers working in the most remote areas have access to critical training.



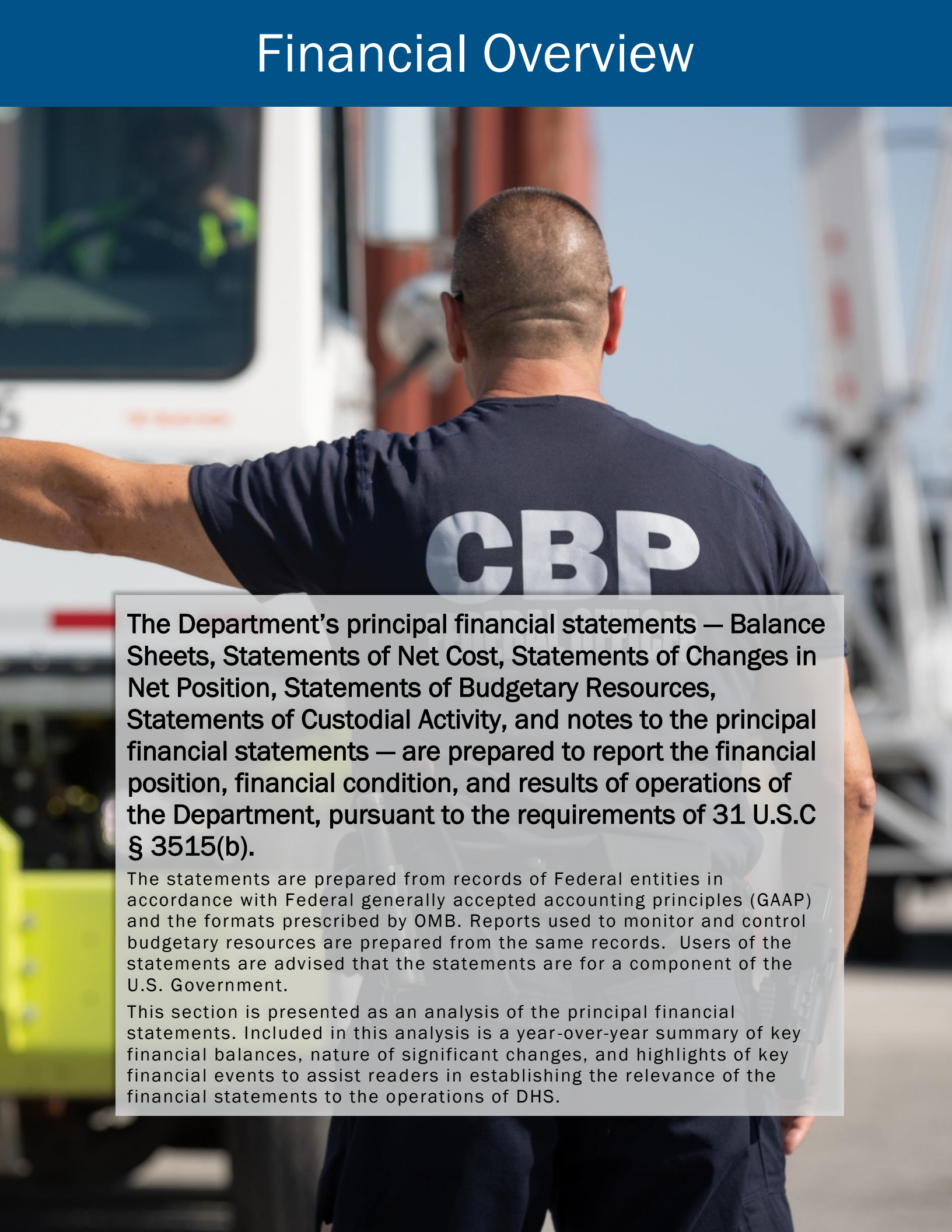
DHS continues to leverage digitization and automation to reduce the amount of time employees and partners spend on manual, repetitive tasks and to increase the time they spend on their critical homeland security missions.

- For example, ICE is continuing to modernize systems to enable law enforcement partners to receive intel-based leads tied to Title 8 violations, criminal activity, and national security risks. ICE will further develop Title 8 data to allow partners to track cases from start to finish, including real-time bedspace availability and individual transport and removal status.
- USSS is also working to develop a standardized infrastructure package for USSS field offices to support basic investigative tasks, ensuring that special agents and support staff have access to the technological resources and capabilities needed to counter advanced cyber actors that pose a threat to the country's financial systems.
- USCIS also continues to implement enterprise digitization efforts, with a focus on digitizing forms and transitioning USCIS operations to a fully electronic environment.

## Did you know?

FLETC manages some unique facilities. For example, Danis City, opened in 2013, is a 35+ acre Urban/Suburban Training Facility that features replicas of commercial and residential training environments such as a café, pawn shop, police station, tavern, storage facility, mobile home park, apartments, medical facilities, and government offices. FLETC also manages the Forensic Science Training Complex, a 40,000 square foot facility that features 9 specialized classrooms, 3 forensic laboratories, a 4-bay garage, 14 crime scene modules, 16 staff offices, and a forensic library.

# Financial Overview



**The Department's principal financial statements — Balance Sheets, Statements of Net Cost, Statements of Changes in Net Position, Statements of Budgetary Resources, Statements of Custodial Activity, and notes to the principal financial statements — are prepared to report the financial position, financial condition, and results of operations of the Department, pursuant to the requirements of 31 U.S.C § 3515(b).**

The statements are prepared from records of Federal entities in accordance with Federal generally accepted accounting principles (GAAP) and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

This section is presented as an analysis of the principal financial statements. Included in this analysis is a year-over-year summary of key financial balances, nature of significant changes, and highlights of key financial events to assist readers in establishing the relevance of the financial statements to the operations of DHS.



## Financial Position

The Department prepares its Balance Sheets, Statements of Net Cost, and Statements of Changes in Net Position on an accrual basis; meaning that economic events are recorded as they occur, regardless of when cash is received or disbursed.

The Balance Sheet presents the resources owned or managed by the Department that have future economic benefits (assets) and the amounts owed by DHS that will require future payments (liabilities). The difference between the Department's assets and liabilities is the residual amount retained by DHS (net position) that is available for future programs and capital investments.

Financial Position (\$ in millions)	FY 2023	FY 2022	\$ Change	% Change
Fund Balance with Treasury	\$ 154,066	\$ 158,759	\$ (4,693)	-3%▼
Property, Plant, and Equipment, Net	35,541	32,754	2,787	9%▲
Other Assets	30,867	28,290	2,577	9%▲
<b>Total Assets</b>	<b>220,474</b>	<b>219,803</b>	<b>671</b>	<b>&lt;1%▲</b>
Debt	20,529	20,533	(4)	<0%▼
Federal Employee and Veteran Benefits Payable	18,372	16,940	1,432	8%▲
Accounts Payable	6,041	5,593	448	8%▲
Insurance Liabilities	4,087	5,848	(1,761)	-30%▼
Other Liabilities	17,069	13,381	3,688	28%▲
Due to the General Fund	8,853	8,605	248	3%▲
<b>Total Liabilities</b>	<b>74,951</b>	<b>70,900</b>	<b>4,051</b>	<b>6%▲</b>
Total Net Position	145,523	148,903	(3,380)	-2%▼
<b>Total Liabilities and Net Position</b>	<b>\$ 220,474</b>	<b>\$ 219,803</b>	<b>\$ 671</b>	<b>&lt;1%▲</b>

Results of Operations (\$ in millions)	FY 2023	FY 2022	\$ Change	% Change
Gross Cost	\$ 116,761	\$ 105,853	\$ 10,908	10%▲
Less: Revenue Earned	(17,778)	(16,283)	(1,495)	9%▲
<b>Net Cost Before Gains and Losses on Assumption Changes</b>	<b>98,983</b>	<b>89,570</b>	<b>9,413</b>	<b>11%▲</b>
(Gains) and Losses on Assumption Changes	989	1,181	(192)	-16%▼
<b>Total Net Cost</b>	<b>\$ 99,972</b>	<b>\$ 90,751</b>	<b>\$ 9,221</b>	<b>10%▲</b>



### DHS celebrates 20<sup>th</sup> anniversary

As part of recognizing the Department's 20<sup>th</sup> anniversary, DHS unveiled a ceremonial American flag that had been presented by the New York City Police Department Counterterrorism Bureau following the 20<sup>th</sup> commemoration of the September 11, 2001 terrorist attacks. Over the past 14 months, it has been flown by 27 different agencies and offices in 36 different locations across the country and around the world. The new permanent flag display was placed in the St. Elizabeths ceremonial entrance. It stands as a symbol of resilience, resolve, and our everlasting memory of those whom we lost on and as a result of 9/11.



## Assets – What We Own and Manage

Assets represent amounts owned or managed by the Department that can be used to accomplish its mission.

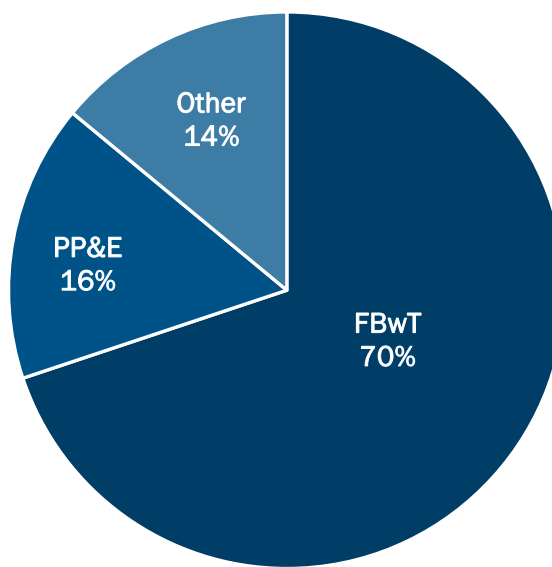
The Department’s largest asset is Fund Balance with Treasury (FBwT), which consists primarily of appropriated, revolving, trust, deposit, receipt, and special funds remaining at the end of the fiscal year.

Property, Plant, and Equipment (PP&E) is the second largest asset, and include buildings and facilities, vessels, aircraft, construction in progress, and other equipment. In acquiring these assets, the Department either spent resources or incurred a liability to make payment at a future date; however, because these assets should provide future benefits to help accomplish the DHS mission, the Department reports these items as assets rather than expenses.

Other Assets includes items such as investments, accounts receivable, cash and other monetary assets, taxes, duties and trade receivables, direct loans, and inventory and related property.

As of September 30, 2023, the Department had \$220 billion in assets, representing an increase of less than \$1 billion from FY 2022.

FY 2023 - Assets



### DHS support for the Super Bowl

DHS provides critical support for Super Bowl every year. This past year, at Super Bowl LVI, DHS support included more than 500 DHS personnel providing extensive air and maritime security resources; anti-human trafficking prevention and enforcement support; intellectual property enforcement; chemical, biological, radiological, nuclear, and explosives detection technologies; venue, cyber, and infrastructure security assessments; intelligence analysis and threat assessments; and real-time situational awareness reporting for our partners.



## Liabilities – What We Owe

Liabilities are the amounts owed to the public or other federal agencies for goods and services provided but not yet paid for; to DHS employees for wages and future benefits; and for other liabilities.

*Debt* is the Department’s largest liability and results from Treasury loans to fund FEMA’s National Flood Insurance Program (NFIP) and Disaster Assistance Direct Loan Program. Given the current premium rate structure, FEMA will not be able to generate sufficient resources from premiums to fully pay its debt. This is discussed further in Note 15 in the Financial Information section.

Federal Employee and Veteran Benefits (FEVB) Payable includes amounts owed to current and past personnel for pension and other post-employment benefits, as well as the liability for medical costs for approved workers’ compensation cases. For more information, see Note 16 in the Financial Information section. This liability is not covered by current budgetary resources, and the Department will use future appropriations to cover these liabilities (see Note 14 in the Financial Information section).

*Accounts Payable* consists primarily of amounts owed for goods, services, or capitalized assets received, progress on contract performance by others, and other expenses due to other entities.

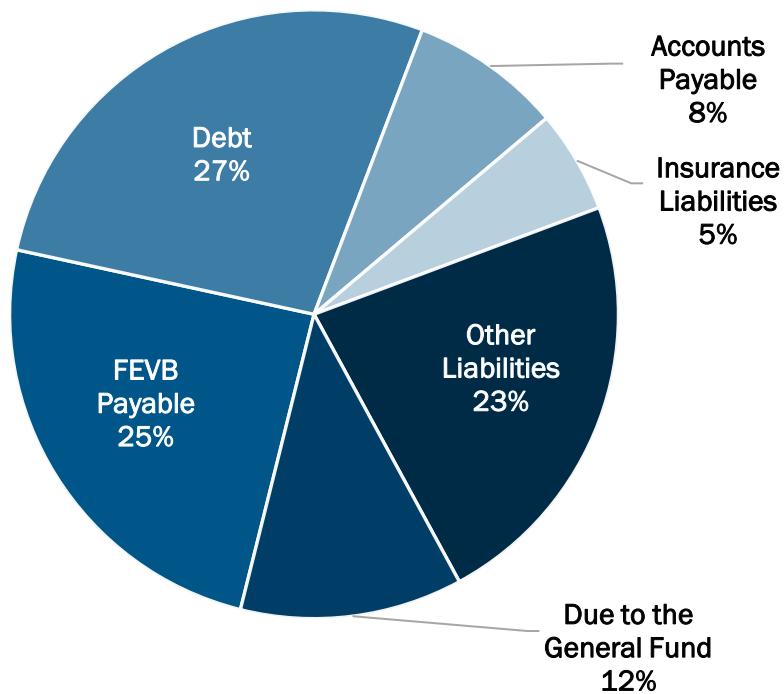
*Insurance Liabilities* are primarily the result of the Department’s sale or continuation-in-force of flood insurance policies within the NFIP, which is managed by FEMA. Payments for insurance claims increased as a result of Hurricane Ian, which hit Southwest Florida and the Carolinas in late FY 2022, thus decreasing insurance liabilities for FY 2023.

*Other Liabilities* include amounts owed to other federal agencies and the public for goods and services received by the Department, amounts received by the Department for goods or services that have not been fully rendered, unpaid wages and benefits for current DHS

## Did you know?

DHS has added over 3,000 processing personnel to the Southwest border, helping return Border Patrol Agents to the field. By adding processing personnel, implementing facilities improvements, and digitizing files and procedures, DHS reduced the time noncitizens spend in U.S. Customs and Border Protection (CBP) custody by over 30%. CBP now has 23,000 Agents and Officers working along the Southwest border.

FY 2023 - Liabilities





employees, and environmental liabilities, refunds and drawbacks, and other. Additionally, as a result of fires in the Hermit’s Peak/Calf Canyon area of New Mexico that occurred in FY 2022, claims have been submitted for individuals injured or impacted as a result increasing Other Liabilities in FY 2023. These claims can continue to be submitted through November 14, 2024.

*Due to the General Fund* consists of amounts due to the Treasury’s general fund. These amounts primarily represent duty, tax, and fees collected by CBP to be remitted to various general fund accounts maintained by Treasury.

As of September 30, 2023, the Department reported approximately \$75 billion in total liabilities. Total liabilities increased by \$4 billion in FY 2023 mostly due to an increase in other liabilities for the Hermit’s Peak/Calf Canyon Fire Assistance Claims.

**Did you know?**

In FY 2023, CBP seized more than 27,000 pounds of fentanyl, compared with over 14,600 pounds in FY 2022. CBP’s fentanyl seizures have increased more than 800% since fiscal year 2019. DHS efforts to safeguard communities and interdict narcotics and dangerous drugs are multifaceted, with examples ranging from historic investments in NII technology to be deployed at ports of entry, to standing up investigations to prosecute the Chinese chemical companies and their brokers providing precursors to the Mexican cartels behind the drastic rise in fentanyl production.

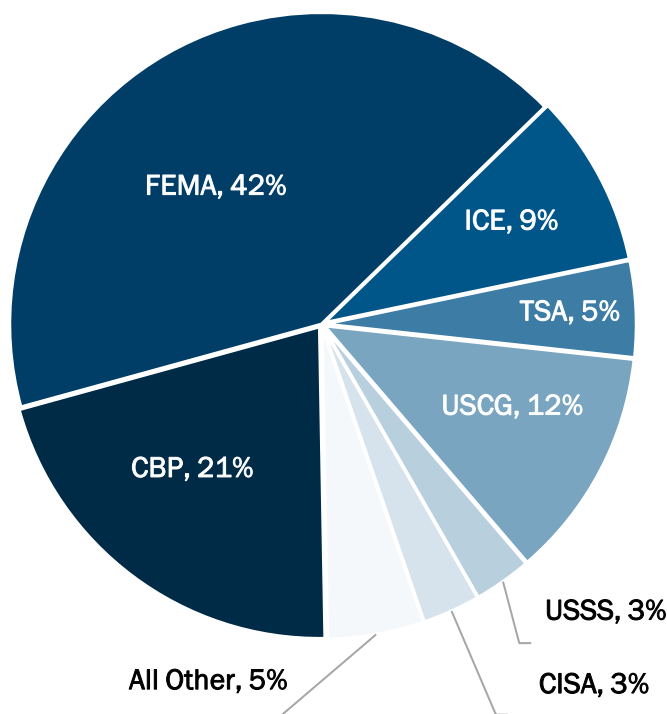
## Net Position

Net position represents the accumulation of revenue, expenses, budgetary, and other financing sources since inception, as represented by an agency’s balances in unexpended appropriations and cumulative results of operations on the Statement of Changes in Net Position. Financing sources increase net position and include, but are not limited to, appropriations, user fees, and excise taxes. The net costs discussed in the section below as well as transfers to other agencies decrease net position. The Department’s total net position is \$146 billion. Total net position decreased \$3 billion from FY 2022, which is similar to last year.

## Results of Operations

The Department presents net costs by operational Components which carry out DHS’s major mission activities, with the remaining support Components representing “All Other.” Net cost of operations, before gains and losses, represents the difference

FY 2023 - Net Cost of Operations





between the costs incurred and revenue earned by DHS programs. The Department's net cost of operations, before gains and losses, was \$99 billion in FY 2023, which is a \$10 billion increase from the prior year. This is mainly due to the large increase in FEMA's disaster assistance through the Disaster Relief Fund (DRF), as well as recognizing the expenses for claims as a result of the Hermit's Peak/Calf Canyon fires.

During FY 2023, the Department earned approximately \$18 billion in exchange revenue. Exchange revenue arises from transactions in which the Department and the other party receive value and that are directly related to departmental operations.

The Department also collects non exchange duties, taxes, and fee revenue on behalf of the Federal Government. This non exchange revenue is presented in the Statements of Custodial Activity or Statements of Changes in Net Position, rather than the Statements of Net Cost.

## DHS@20

Technology has evolved significantly over the last 20 years, during which time DHS has worked consistently to keep pace with cutting edge advancements. As a recent example, DHS launched the Artificial Intelligence Task Force (AITF) with S&T and the Office of the Chief Information Officer to advance the use of artificial intelligence (AI) to combat child exploitation, disrupt opioids, secure our borders, and ensure AI is implemented responsibly and ethically. The AITF will research how AI can help secure critical infrastructure and supply chains.



### DHS employees extract honey from bees at St. Elizabeths campus

DHS employees assist the DC Beekeepers Alliance with extracting honey from bees at the historic St. Elizabeths campus, the site of DHS Headquarters in Washington, DC. Efforts included uncapping frames, spinning extractors, and bottling honey. St. Elizabeths has on-staff horticulture and environmental specialists interested in how the site can support both managed and native pollinators. The bees at St. Elizabeths access to acres of prime green space and their numbers have been steadily growing.





## Budgetary Resources

The Statement of Budgetary Resources is prepared on a combined basis, rather than a consolidated basis, and provides information about how budgetary resources were made available as well as their status at the end of the period. Budgetary accounting principles require recognition of the obligation of funds according to legal requirements, which in many cases happens prior to the transaction under accrual basis. The recognition of budgetary accounting transactions is essential for compliance with legal constraints and controls over the use of federal funds. The budget represents our plan for efficiently and effectively achieving the strategic objectives to carry out our mission and to ensure that the Department manages its operations within the appropriated amounts using budgetary controls.

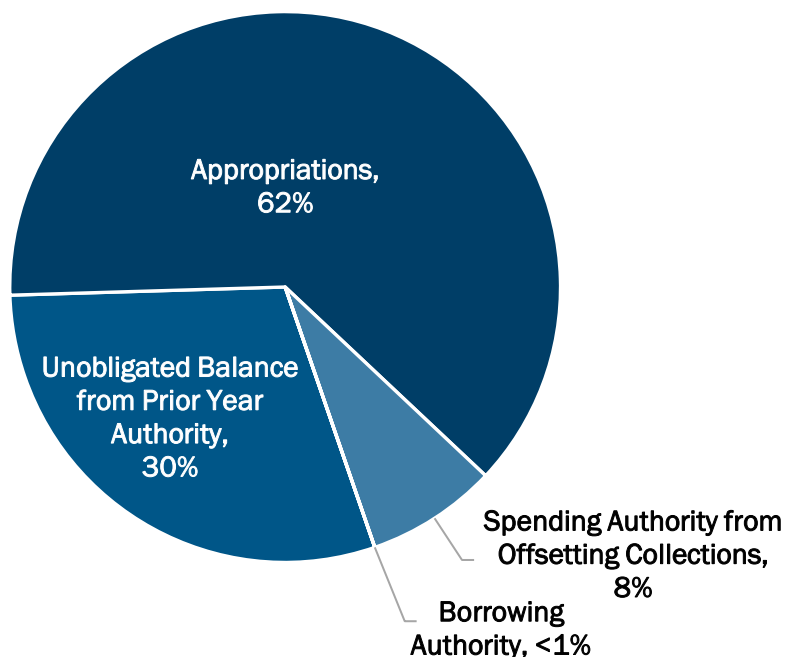
### DHS@20

In June 2021, DHS recognized Pride Month and raised the LGBTQ+ flag for the first time in DHS history. DHS has continued the tradition ever since, and in June 2023 raised the flag at the DHS Nebraska Avenue Complex in Washington, DC. DHS celebrates the contributions of LGBTQ+ employees and stand with the community – our community – today and every day.

Sources of Funds (\$ in millions)	FY 2023	FY 2022	\$ Change	% Change
Unobligated Balance from Prior Year Budget Authority, Net	\$ 50,778	\$ 65,705	\$ (14,927)	-23% ▼
Appropriations	106,471	97,949	8,522	9% ▲
Spending Authority from Offsetting Collections	13,123	11,097	2,026	18% ▲
Borrowing Authority	2	4	(2)	-50% ▼
<b>Total Budgetary Resources</b>	<b>\$ 170,374</b>	<b>\$ 174,755</b>	<b>\$ (4,381)</b>	<b>-3% ▼</b>

The Department’s budgetary resources, both discretionary and mandatory, were \$170 billion for FY 2023. The authority was derived from \$51 billion in authority carried forward from FY 2022, appropriations of \$106 billion, \$13 billion in collections, and \$2 billion in borrowing authority. Total budgetary resources decreased \$4 billion from FY 2022. The Unobligated Balance from Prior Year Budget Authority, Net decreased \$15 billion from FY 2022 mainly due to a large reduction in FEMA’s DRF. FEMA did not receive as large of a supplemental appropriation in FY 2022 like they had in FY 2021, leading to a reduction in total resources carried over for FY 2023.

FY 2023 - Budgetary Resources





## Custodial Activities

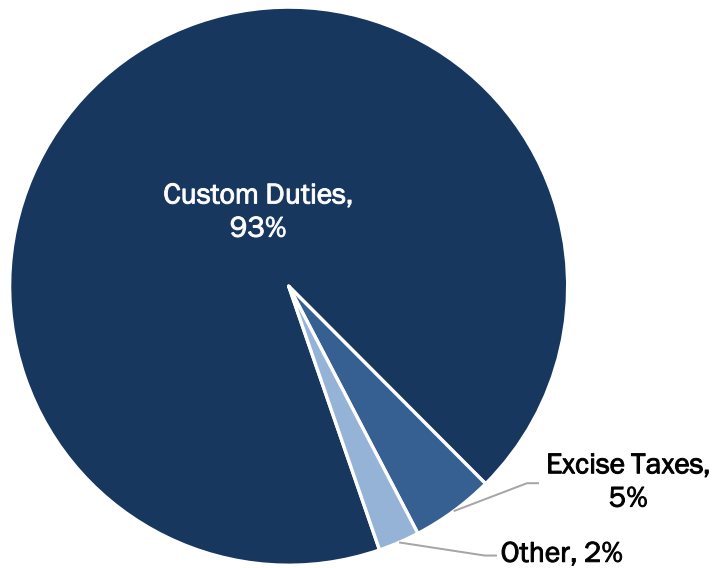
The Statement of Custodial Activity is prepared using the modified cash basis. With this method, revenue from cash collections is reported separately from receivable accruals, and cash disbursements are reported separately from payable accruals.

Cash Collections (\$ in millions)	FY 2023	FY 2022	\$ Change	% Change
Duties	\$ 85,088	\$ 104,624	\$ (19,536)	-19% ▼
Excise Taxes	4,411	4,629	(218)	-5% ▼
Other	2,187	2,366	(179)	-8% ▼
<b>Total Cash Collections</b>	<b>\$ 91,686</b>	<b>\$ 111,619</b>	<b>\$ (19,933)</b>	<b>-18% ▼</b>

Custodial activity includes the revenue collected by the Department on behalf of others, and the disposition of that revenue to the recipient entities. Non exchange revenue is either retained by the Department to further its mission or transferred to Treasury’s general fund and other federal agencies. The Department’s total cash collections is \$92 billion, which is a \$20 billion decrease from FY 2022, mainly due to a decrease in CBP’s import activity in FY 2023.

Custom duties collected by CBP account for 93% of total cash collections. The remaining 7% is comprised of excise taxes, user fees, and various other fees.

FY 2023 - Custodial Activities



### The future of electric vehicles at DHS

DHS is leading the charge among federal agencies to transition its fleet vehicles from internal combustion engines to zero-emission electric vehicles (EVs). As the Nation’s third largest federal agency and largest law enforcement agency, DHS has an inventory of more than 50,000 vehicles, with law enforcement vehicles making up 60% of its fleet. DHS is proud to be the first Federal agency to upfit an EV for law enforcement use. As EV adoption increases, we are excited to see how this and other EVs perform for our mission.



## COVID-19 Activity

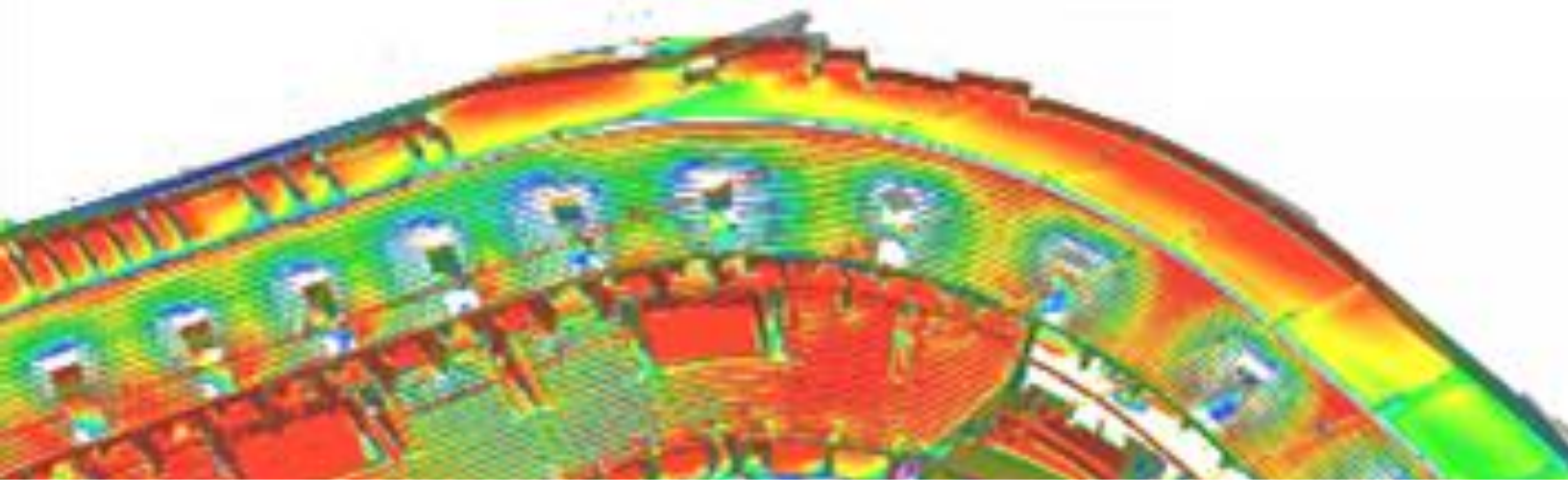
On May 11, 2023, the national emergency and public health emergency declarations related to coronavirus (COVID-19) pandemic ended. These emergency declarations had been in place since early 2020. In this post-pandemic environment, the Department continues to provide financial assistance through FEMA and under the Other Needs Assistance (ONA) provision of the Individuals and Households Program (IHP) to individuals and households with disaster-related funeral expenses. FEMA will continue to provide financial assistance for funeral costs specifically related to COVID-19 through FY 2025. The remaining available budgetary resources from COVID-19-specific funding the Department received during the early years of COVID-19, including Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the American Rescue Plan Act (ARPA) of 2021, have significantly decreased and are expected to continue trending downward. Additional activities information and financial impact can be found on the financial information section under Note 31, COVID-19 Activity.

## Stewardship Information

Stewardship investments are substantial investments made by the Federal Government for the benefit of the Nation. When incurred, stewardship investments are treated as expenses in calculating net cost, but due to materiality, they are separately reported to highlight the extent of investments that are made for long-term benefit. The Department’s expenditures (including carryover funds expended in FY 2023) in research and development, human capital, and non-federal physical property are shown below.

### Investments in Research and Development

Investments in research and development represent expenses incurred to support the search for new or refined knowledge and ideas. The intent of the investment is to apply or



### 3D Digital Twin and In-Building sensor testbed enhances public safety

A public/private partnership with S&T, Capital One Arena, and Monumental Sports established a 3D Digital Twin and deployed multiple sensor pods that were integrated into the existing building control systems. The result of the combined sensor suite and building control system integration allows enhancements to air handling procedures while adding public safety measures, including a suite of hazard detection and alerting capabilities for situational awareness and security operations. Near real-time airflow modeling and heat maps identify air refresh efficiencies and procedural changes to reduce daily operating costs while providing enhanced public safety.



use such knowledge to improve and develop new products and processes with the expectation of maintaining or increasing national productive capacity or yielding other future benefits. S&T major research and development programs include the Wildland Firefighter Respirator (WFFR) that protects firefighters’ lungs from toxic gases, a 3D X-Ray that enables DHS personnel to safely detect hidden explosive devices, and a system of ground and aerial autonomous vehicles that allows responders to deliver emergency aid and communicate with civilians in high-risk locations. S&T, CWMD, and USCG investments in research and development this fiscal year (in millions) are as follows:

Components (\$ in millions)	FY 2023	FY 2022
S&T	\$ 652	\$ 846
CWMD	60	74
USCG	10	4
<b>Total Research &amp; Development</b>	<b>\$ 722</b>	<b>\$ 924</b>

## Investments in Human Capital

Investments in human capital include expenses incurred for programs to educate and train first responders. These programs are intended to increase or maintain national productive capacity as evidenced by the number of responders trained over the course of the programs. FEMA and S&T investments in human capital (in millions) are as follows:

Components (\$ in millions)	FY 2023	FY 2022
FEMA	\$ 108	\$ 108
S&T	7	4
<b>Total Human Capital</b>	<b>\$ 115</b>	<b>\$ 112</b>

## Investments in Non-Federal Physical Property

Investments in non-federal physical property are expenses included in the calculation of net cost incurred by the reporting entity for the purchase, construction, or major renovation of physical property owned by state and local governments, which includes security enhancements to airports. TSA investments in non-federal physical property (in millions) are as follows:

Components (\$ in millions)	FY 2023	FY 2022
TSA	\$ 84	\$ 128
<b>Total Non-Federal Physical Property</b>	<b>\$ 84</b>	<b>\$ 128</b>

## Other Key Regulatory Requirements

For a discussion on DHS’s compliance with the Prompt Payment Act, and Debt Collection Improvement Act of 1996, see the Other Information section.

## Climate-Related Risks

Addressing the climate emergency is a priority for DHS as sea-levels rise, extreme weather events, workforce health risks, and other direct and indirect impacts of climate change affect the Nation’s preparedness and national security. The Department is taking high impact actions to enhance resilience, reduce carbon emissions, and build a safer Nation.



## Management's Discussion and Analysis

Through FEMA, the Department has focused on how we can ensure that our programs advance equity for all and increase resilience especially among those who are disproportionately at risk from climate change impacts. During FY 2023, FEMA, the U.S. Small Business Administration, and other federal agencies partnered to provide assistance for Maui survivors after the devastating wildfires in Lahaina. FEMA provided assistance to individuals and households, including housing assistance, clothing, furniture, appliances, and cars. Around 420 FEMA personnel were deployed to assist Hawaii residents in their greatest time of need. FEMA continues to work with the victims of the Hawaii wildfires registering them for assistance and identifying and reporting critical needs.

DHS is committed to increasing resilience and adaptation through an assortment of measures designed to reduce the risk associated with climate change. For more information on DHS' Climate Action Plan, please visit <http://www.dhs.gov/dhs-actions-climate-change>.

# Analysis of Systems, Controls, and Legal Compliance

## Secretary's Assurance Statement

November 14, 2023



The Department of Homeland Security is responsible for meeting the objectives of Sections 2 and 4 of the *Federal Managers' Financial Integrity Act of 1982* (FMFIA) to establish and maintain effective internal controls, inclusive of financial management systems, that protect the integrity of federal programs. These objectives are satisfied by managing risks and maintaining effective internal controls in three areas: 1) effectiveness and efficiency of operations; 2) reliability of reporting; and 3) compliance with applicable laws and regulations. The Department conducted its assessment of risk and internal controls in accordance with the Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Based on the results of the assessment, the Department can provide reasonable assurance that internal controls over operations, internal controls over reporting, and internal controls over compliance were operating effectively as of September 30, 2023, except for the disclosures noted in the subsequent sections.

Pursuant to the *DHS Financial Accountability Act* (FAA), the Department is required to obtain an opinion on its internal controls over financial reporting. The Department conducted its assessment of the effectiveness of internal controls over financial reporting in accordance with OMB Circular No. A-123 and Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government*. Based on the results of this assessment, the Department can provide reasonable assurance that its internal controls over financial reporting was designed and operating effectively, except for aspects of Financial Reporting, Receipt of Goods and Services, Insurance Management, and Information Technology Controls and Information Systems, where material weakness areas were identified, and remediation is in process.

The *Federal Financial Management Improvement Act of 1996* (FFMIA) requires agencies to implement and maintain financial management systems that substantially comply with Federal financial management system requirements, Federal accounting standards, and United States Standard General Ledger reporting at the transaction level. The material weakness area specifically related to Information Technology Controls and Information Systems affects the Department's ability to substantially comply with financial management system requirements. In addition, as a result of numerous Component agencies' financial management system limitations, the Department does not fully comply with certain government-wide accounting and reporting requirements. Therefore, the Department is reporting non-compliance with FFMIA and Section 4 of FMFIA. To address this non-compliance, the Department continues efforts in alignment with the multi-year financial systems modernization program.

As a result of the assessments conducted, the Department continues to enhance its internal controls and financial management program. For noted areas of weakness, the Department is continuing previously initiated remediation efforts and incorporating additional improvements going forward, as highlighted in the Management Assurances section of the Agency Financial Report.

Sincerely,

A handwritten signature in blue ink that reads "Alejandro N. Mayorkas". The signature is fluid and cursive.

Alejandro N. Mayorkas  
Secretary of Homeland Security



# Management's Report on Internal Controls Over Financial Reporting

November 14, 2023

Mr. Joseph V. Cuffari  
Inspector General  
Department of Homeland Security  
Washington, DC

Dear Inspector General Cuffari:

The United States Department of Homeland Security (DHS) internal controls over financial reporting constitutes a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with the United States' generally accepted accounting principles. An organization's internal controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the United States' generally accepted accounting principles, and that receipts and expenditures of the organization are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction, of unauthorized acquisition, use, or disposition of the organization's assets that could have a material effect on the financial statements.

DHS is responsible for designing, implementing, and maintaining effective internal controls over financial reporting. Management assessed the effectiveness of DHS's internal controls over financial reporting as of September 30, 2023, based on criteria established in the Standards for Internal Controls in the Federal Government (GAO-14-704G) issued by the Comptroller General of the United States. Based on that assessment, management concluded that, as of September 30, 2023, DHS's internal controls over financial reporting are effective except for areas of material weaknesses in Financial Reporting, Receipt of Goods and Services, Insurance Management, and Information Technology Controls and Information Systems. Specifically:

1. *Financial Reporting*: Ineffective monitoring of reports used in financial reporting controls, ineffective service provider monitoring, and other conditions.
2. *Receipt of Goods and Services*: Ineffective controls and monitoring of budgetary resources to include undelivered orders, new obligations incurred, and the reimbursable authority related to unfilled customer orders.
3. *Insurance Management*: Ineffective design and implementation of controls over the data used in and the review of the valuation approach of the flood insurance liability.
4. *Information Technology Controls and Information Systems*: Ineffective controls in financial management systems, including those performed by service organizations, and insufficient design of controls over information derived from systems.

Internal controls over financial reporting have inherent limitations. Internal controls over financial reporting constitutes a process that involves human diligence and compliance and is subject to human error and can also be circumvented by collusion or improper management override. Because of their inherent limitations, internal controls over financial reporting may not prevent, or detect and



## Management's Discussion and Analysis

correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Challenges have continued this year related to the ongoing efforts to stabilize and standardize the financial processing and internal control environment of the United States Coast Guard. The transition from a legacy core accounting system to a modernized accounting system has resulted in substantial changes to the financial business processes but will have innumerable benefits for the United States Coast Guard financial operations and reporting going forward. In addition, FEMA maintains focus on disaster response and directly supported these efforts financially through grants, disaster loans, and flood insurance payments. However, areas for improvement continue to be noted regarding the valuation of flood insurance liabilities. While keeping the mission in the forefront, DHS continues to make progress in improving its internal controls and financial management program and management commits to implementing corrective actions to resolve the remaining areas of material weakness.

Best Regards,

Alejandro N. Mayorkas  
Secretary of Homeland Security

Stacy Marcott  
Acting Chief Financial Officer





## Management Assurances

DHS management is responsible for establishing, maintaining, and assessing internal controls to provide reasonable assurance that the objectives of the Federal Managers’ Financial Integrity Act (FMFIA) of 1982 (31 U.S. Code 3512, Sections 2 and 4) and the Federal Financial Management Improvement Act of 1996 (FFMIA) (P.L. 104-208) were achieved. In addition, the DHS Financial Accountability Act (P.L. 108-330) requires a separate management assertion and an audit opinion on the Department’s internal control over financial reporting.

The FMFIA requires GAO to prescribe standards for internal control in the Federal Government, more commonly known as the Green Book. These standards provide the internal control framework and criteria federal managers must use in designing, implementing, and operating an effective system of internal control. The Green Book defines internal control as a process effected by an entity’s oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity are achieved. These objectives and related risks can be broadly classified into one or more of the following categories:

- Effectiveness and efficiency of operations,
- Compliance with applicable laws and regulations, and
- Reliability of reporting for internal and external use.

FMFIA also requires OMB, in consultation with GAO, to establish guidelines for agencies to evaluate their systems of internal control to determine FMFIA compliance. OMB Circular No. A-123, *Management’s Responsibility for Enterprise Risk Management and Internal Control*, provides implementation guidance to federal managers on improving the accountability and effectiveness of federal programs and operations by identifying and managing risks and

SCOPE / INDIVIDUAL STATEMENT OF ASSURANCES	INTERNAL CONTROL OBJECTIVES	GUIDANCE / REQUIREMENTS	SOURCES OF ASSURANCE	AGENCY STATEMENT OF ASSURANCE
<p><b>DHS Components</b></p> <ul style="list-style-type: none"> <li>• CBP – U.S. Customs and Border Protection</li> <li>• CISA – Cybersecurity and Infrastructure Security Agency</li> <li>• CWMD – Countering Weapons of Mass Destruction</li> <li>• FEMA – Federal Emergency Management Agency</li> <li>• FLETC – Federal Law Enforcement Training Centers</li> <li>• I&amp;A – Office of Intelligence and Analysis</li> <li>• ICE – U.S. Immigration and Customs Enforcement</li> <li>• MGMT - Management Directorate</li> <li>• OSA – Office of Homeland Security Situational Awareness</li> <li>• S&amp;T – Science and Technology Directorate</li> <li>• TSA – Transportation Security Administration</li> <li>• USCG – U.S. Coast Guard</li> <li>• USCIS – U.S. Citizenship and Immigration Services</li> <li>• USSS – U.S. Secret Service</li> </ul>	<p>Efficient and Effective Operations</p> <p>Compliance with Laws &amp; Regulations</p>	<p>Laws, Regulations, and Implementing Guidance covering all areas outside of Financial Reporting</p>	<p>Daily Operations</p> <p>Other Sources</p> <p>Management Reviews</p> <p>Risk Assessment</p> <p>Audits</p>	<p><b>DHS Statement of Assurance</b> signed out by the Secretary of Homeland Security</p>
<p><b>DHS Management Lines of Business</b></p> <ul style="list-style-type: none"> <li>• Office of the Chief Financial Officer (OCFO)</li> <li>• Office of the Chief Human Capital Officer (OCHCO)</li> <li>• Office of the Chief Information Officer (OCIO)</li> <li>• Office of the Chief Procurement Officer (OCPO)</li> <li>• Office of the Chief Readiness Support Officer (OCRSO)</li> <li>• Office of the Chief Security Officer (OCSO)</li> <li>• Program Accountability and Risk Management (PARM)</li> </ul>	<p>Financial Reporting</p>	<p>OMB Circular A-123 Appendix A</p> <p>Management Reviews</p> <p>Audits</p>		
<p><b>DHS Executive Offices</b></p>				



establishing requirements to assess, correct, and report on the effectiveness of internal controls. FMFIA also requires the Statement of Assurance to include assurance on whether the agency's financial management systems substantially comply with government-wide requirements. The financial management systems requirements are directed by Section 803(a) of the FFMIA and Appendix D to OMB Circular No. A-123, *Management of Financial Management Systems – Risk and Compliance*. In accordance with OMB Circular No. A-123, the Department performs assessments over the effectiveness of its internal controls. The results of these assessments provide management with an understanding of the effectiveness and efficiency of operations, reliability of reporting, and compliance with laws and regulations.

Per OMB Circular No. A-123, management gathered information from various sources, including management-initiated internal control assessments, program reviews, and evaluations. Management also considered results of reviews, audits, inspections, and investigations performed by the Department's OIG and GAO.

Using available information, each Component performs an analysis on the pervasiveness and materiality over any identified deficiencies to determine their impact and uses the result as the basis for the respective Component assurance statement signed by the Component Head. The Secretary provides assurances over the Department's internal controls in the annual assurance statement considering the state of internal controls at each Component.

DHS is building on the enterprise risk management framework per OMB Circular No. A-123 and has established a Department-wide Enterprise Risk Management (ERM) working group to facilitate and promote Component development and maturation of ERM capability. DHS Components are at different stages of ERM maturity, and some Components have begun embedding the ERM framework into their statement of assurance process. For FY 2023, Components completed operational risk registers to document risks identified and prioritized under the ERM framework. The Department will continue to mature in ERM capability and integrate its internal controls, as appropriate, and will continue to update the Department's risk profile annually. The most recent progress includes development of a maturity model, implementation strategy, and governance structure for ERM implantation. The intent is to provide guidance to Components that allows them to tailor their programs to fit their individual needs while retaining a framework at the enterprise level that allows a common understanding of potential risks.

## **Department of Homeland Security Financial Accountability Act (DHS FAA)**

Pursuant to the DHS FAA, the Department must obtain an opinion over internal control over financial reporting. Annually, the Deputy Secretary issues a memorandum to Component Heads on audit results and approach, asking senior leaders across the organization to fix long-standing issues and properly resource both remediation and assessment efforts. Senior leaders across the organization emulate this top-down approach by committing to annual remediation goals and improving the internal control environment, validated through testing, and finally ensuring that proper resources are available to realize these plans. Senior leaders also track, monitor, and discuss progress against commitments throughout the year to ensure accomplishment of the overall objectives.



Using the GAO Green Book and OMB Circular No. A-123 as criteria, the Department’s internal control over financial reporting methodology is a risk-based, continuous feedback approach centered around four phases: find, fix, test, and assert. Effectiveness of controls and status of each Component’s implementation of the internal control strategy are communicated and reported to senior leaders using the Internal Control Maturity Model (ICMM). The ICMM is a five-tiered model that uses tests of design and effectiveness, quality of assessments, and timeliness and efficacy of remediation as primary drivers in demonstrating maturation of the control environment. The Department’s goal is to have most Components placed on the Standardized (third) tier, which informs leaders that quality internal control assessments are performed to validate conditions related to areas of material weakness do not exist and that there be minimal, if any, external financial statement audit surprises. This assessment and reporting strategy support sustainment of the financial statement opinion and eventual achievement of an opinion over internal control over financial reporting.

## Areas of Material Weaknesses Resolution Status

In FY 2022, management reported four areas of material weaknesses: 1) Financial Reporting, 2) Budgetary Accounting, 3) Insurance Liabilities, and 4) IT Controls and System Functionality. In FY 2023, DHS continued the ongoing remediation, initiated in prior years, over the Financial Reporting and IT Controls and System Functionality known areas of material weaknesses. In addition to working towards resolution of the prior year identified Budgetary Accounting material weakness, DHS continued to partner with the USCG to resolve the challenges with the initial USCG transition to the Financial Systems Modernization Solution (FSMS) from the legacy application and previous business processes. While these challenges have not resulted in a material misstatement for the Department, resolution in the outyears will be critical for efficient and effective internal control over financial reporting for USCG. Finally, FEMA has continued to mature and enhance the internal control environment related to Insurance, to include underwriting, claims, actuarial, and liability recording. As these remediation efforts remain ongoing, in FY 2023, DHS management is continuing to report four areas of material weaknesses: 1) Financial Reporting, 2) Receipt of Goods and Services (previously titled Budgetary Accounting), 3) Insurance Management (previously titled Insurance Liabilities), and 4) IT Controls and System Functionality. Refer to the tables below for specific areas contributing to each area of material weakness along, planned corrective actions, and estimation for remediation completion.



**Table 1: Internal Control over Financial Reporting Deficiency Details and Corrective Actions – Financial Reporting**

Area of Material Weakness	DHS Component(s)	Year Identified	Target Correction Date
Financial Reporting	All	FY 2003	FY 2027
<p>Multiple deficiency areas exist that are attributed to the Financial Accounting area of material weakness, which include the following:</p> <p><b>Information Used in Controls</b> (Contributing Component(s): All)</p> <p><u>Deficiency Details</u> Ineffective monitoring over information utilized in DHS internal control over financial reporting processes and control activities.</p> <p><u>Corrective Actions Taken</u> In FY 2023, DHS was able to complete the following efforts:</p> <ul style="list-style-type: none"> <li>• The Office of the Chief Financial Officer updated guidance related to Information Used in Controls (IUC).</li> <li>• Optional work guidance documentation provided for walkthrough questionnaires, as well as templates to support the documentation of IUC population and risk assessments.</li> <li>• Training provided through the DHS quarterly internal controls and risk management training events as well as through the annual CFO Symposium.</li> </ul> <p><u>Additional Corrective Actions Planned</u> DHS continues to implement a multi-year, risk-based approach with actions to include:</p> <ul style="list-style-type: none"> <li>• Identifying the population of IUC relied upon for internal controls over financial reporting, performing a risk assessment over those IUCs to determine the highest risk items, and implementing procedures to obtain assurance related to the quality and reliability of IUC.</li> </ul> <p><b>Service Provider Monitoring</b> (Contributing Component(s): All)</p> <p><u>Deficiency Details</u> Process deficiencies related to monitoring of external service providers, to include 1) adequately assessing and responding to service provider introduced risks, and 2) obtaining and reviewing Service Organization Control (SOC) reports related to financial services.</p> <p><u>Corrective Actions Taken</u> In FY 2023, DHS was able to complete the following efforts:</p> <ul style="list-style-type: none"> <li>• The Office of the Chief Financial Officer updated guidance related to Service Provider Monitoring (SPM).</li> <li>• Optional work guidance documentation provided for walkthrough questionnaires, as well as templates to support the documentation of population, risk assessments, and roles and responsibilities.</li> <li>• Training provided through the DHS quarterly internal controls and risk management training events.</li> </ul> <p><u>Additional Corrective Actions Planned</u> DHS will continue to execute improvements and corrective actions as cost beneficial. Multi-year actions to be completed include:</p> <ul style="list-style-type: none"> <li>• Identifying and updating the population of service providers; conducting risk assessments; executing appropriate service provider risk response, management, and oversight; and ensuring that agreements with and utilization of new service providers enable adequate assurance related to service provider performed activities and controls.</li> </ul>			



**Table 1 (continued): Internal Control over Financial Reporting Deficiency Details and Corrective Actions – Financial Reporting**

Area of Material Weakness	DHS Component(s)	Year Identified	Target Correction Date
Financial Reporting (Continued)	All	FY 2003	FY 2027
<p><b>Other</b> (Contributing Component(s): All)</p> <p><u>Deficiency Details</u>                      Deficiencies aggregated to substantiate inclusion into this area of material weakness, include:</p> <ul style="list-style-type: none"> <li>• Journal entries</li> <li>• Application Controls, to include posting logic</li> <li>• Intragovernmental trading partner activity reporting, related to payments and collections, due to system limitations (USCG Specific)</li> <li>• Payment management reporting (USCG Specific)</li> <li>• Property management reporting (USCG specific)</li> </ul> <p><u>Corrective Actions Taken</u>                      In FY 2023, DHS was able to complete the following efforts:</p> <ul style="list-style-type: none"> <li>• Journal entry policies and processes were updated to reflect USCG roles and responsibilities as well as the population of expected recurring transactions in the post-FSMS environment.</li> <li>• For efforts associated with application controls, please refer to the IT Controls and Information Systems area of material weakness and corrective actions for more detail.</li> <li>• USCG continued its effort to enhance trading partner activity reporting to include identifying best practices at other Agencies and working with existing trading partners to obtain quality data.</li> <li>• USCG developed processes for the receipt of goods and services and continued efforts to reduce its suspense backlog.</li> <li>• USCG successfully partnered with the JPMO to develop and integrate a Military Pay interface to the core accounting system.</li> <li>• USCG developed revised construction in progress (CIP) policies and procedures to address issues resulting from the FSMS implementation.</li> </ul> <p><u>Additional Corrective Actions Planned</u>                      DHS continues to implement process improvements utilizing a risk-based approach to provide effective monitoring and oversight of service providers.</p> <ul style="list-style-type: none"> <li>• Additional process improvements for journal entries will be developed, implemented, and assessed in accordance with remediation plans. While USCG volume for journal entries remains high due to continuing system challenges, it is expected that total journal entry activity will significantly reduce in volume and amount as these pain points are resolved.</li> <li>• For efforts associated with application controls, please refer to the IT Controls and Information Systems area of material weakness and corrective actions for more detail.</li> <li>• DHS is continuing the implementation of G-Invoicing which is planned to reduce the risk of system limitations associated with federal trading partners going forward.</li> <li>• USCG will continue remediation of its payment management processes to reduce USCG suspense balances and ensure IPACs are appropriately applied to the correct obligation and accurately and timely processed.</li> <li>• USCG is continuing to work through its CIP transaction backlog in agreement with its established timeline.</li> </ul>			



**Table 2: Internal Control over Financial Reporting Deficiency Details and Corrective Actions – Receipt of Goods and Services**

Area of Material Weakness	DHS Component(s)	Year Identified	Target Correction Date
Receipt of Goods and Services	USCG, USSS, CISA	FY 2022	FY 2024
<p>Multiple deficiency areas exist that are attributed to the Receipt of Goods and Services area of material weakness, which include the following:</p> <p><b>Budgetary Resource Mgmt. Monitoring</b> (Contributing Component(s): USCG, USSS, &amp; CISA)</p> <p><u>Deficiency Details</u></p> <ul style="list-style-type: none"> <li>○ Following its financial system transition, USCG remains unable to properly oversee budget execution, including the monitoring of budgetary resources to include validating the completeness &amp; accuracy of Undelivered Orders and review of expenditure activity.</li> <li>○ USSS continues to face deficiencies in monitoring and resolving open Undelivered Orders accurately and completely.</li> <li>○ CISA lacks an effective process to monitor closeout progress and confirm validity of open obligations.</li> </ul> <p><u>Corrective Actions Taken</u></p> <p>In FY 2023, DHS was able to complete the following efforts:</p> <ul style="list-style-type: none"> <li>• USCG developed and released an open obligation management capability, a key remediation element to assist the Component with the review of obligations.</li> <li>• USSS documented roles and responsibilities for stakeholders involved in the obligation review process and has begun updating procedural documentation to ensure consistent execution across the organization.</li> <li>• CISA coordinated with its procurement service provider to monitor closeout progress and confirm the validity of open awards.</li> </ul> <p><u>Additional Corrective Actions Planned</u></p> <p>DHS corrective actions are expected to continue through FY 2024, to include:</p> <ul style="list-style-type: none"> <li>• USCG to utilize the new obligation monitoring capability to identify obligations for additional review while also prioritizing required adjustments, as necessary.</li> <li>• USCG to partner with the FSMS team to establish, as necessary, additional system functionality to strengthen and enhance the ability for budgetary resources monitoring going forward.</li> <li>• USCG to implement additional training to develop the knowledge, experience, and skill of personnel accompanied with enforced accountability.</li> <li>• USSS publication of updated procedural documentation related to obligation monitoring and performance of training for program personnel and stakeholders.</li> <li>• CISA to execute its multi-year strategy in FY2024 to provide closeout information and validate open obligations.</li> </ul> <p><b>Reimbursable Authority and Unfilled Customer Orders</b> (Contributing Component(s): USCG)</p> <p><u>Deficiency Details</u></p> <p>Lack of USCG structure and policy for reimbursable agreements and reimbursable authority related to unfilled customer orders.</p> <p><u>Corrective Actions Taken</u></p> <ul style="list-style-type: none"> <li>○ Updated procedures mandating external trading partners include both Purchase Order and contract line-item numbers in agreements.</li> <li>○ Coordinated with trading partners to address specific issues and continue to reinforce USCG policies and procedures internally.</li> </ul> <p><u>Additional Corrective Actions Planned</u></p> <p>USCG corrective actions are expected to continue through FY 2024, to include:</p> <ul style="list-style-type: none"> <li>• Further enhancement of reimbursable agreements and trading partner documentation.</li> <li>• Increase trading partner activity coordinated through G-invoicing as USCG and its trading partners continue implementation efforts.</li> </ul>			



**Table 3: Internal Control over Financial Reporting Deficiency Details and Corrective Actions – Insurance Management**

Area of Material Weakness	DHS Component(s)	Year Identified	Target Correction Date
Insurance Management	FEMA	FY 2022	FY 2024
<p>Multiple deficiency areas exist that are attributed to the Insurance Management area of material weakness, which include the following:</p> <p><b><i>Insurance Data and Process Assurances</i></b> (Contributing Component(s): FEMA)</p> <p><u>Deficiency Details</u>                      FEMA oversight and execution of the National Flood Insurance Program (NFIP) continues to note deficiencies in the following areas:</p> <ul style="list-style-type: none"> <li>• Lack of control over the NFIP financial data.</li> <li>• Inadequate monitoring of NFIP service providers and the Write Your Own program to ensure compliance with policies and procedures.</li> <li>• Insufficient assurance that rates comply with the applicable statutory and regulatory provision.</li> <li>• Ineffective implementation of controls over the NFIP Claim Payments process and the retrospective review analysis.</li> </ul> <p><u>Corrective Actions Taken</u>                      In FY 2023, FEMA was able to complete the following efforts:</p> <ul style="list-style-type: none"> <li>• Continued execution against Risk Rating 2.0, which came into effect fully on April 1, 2022, and changed the way the NFIP calculates flood insurance premiums.</li> <li>• Execution of random auditing of claims and underwriting files.</li> <li>• Financial management procedures were developed to govern the Federal Insurance Directorate program office operations.</li> </ul> <p><u>Additional Corrective Actions Planned</u>                      FEMA corrective actions are expected to continue through FY 2024, to include:</p> <ul style="list-style-type: none"> <li>• Continue to design and implement policies and procedures within the Federal Insurance Mitigation Administration (FIMA) to accurately reflect process changes.</li> <li>• Utilize the NFIP PIVOT system to help facilitate and consolidate NFIP core business processes and improve data quality.</li> <li>• Enhance reporting capability to support oversight over the validity, accuracy, and completeness of the Write Your Own program financial data.</li> </ul> <p><b><i>Valuation of the Flood Insurance Liability</i></b> (Contributing Component(s): FEMA)</p> <p><u>Deficiency Details</u>                      Insufficient review of the valuation approach of the flood insurance liability.</p> <p><u>Corrective Actions Taken</u>                      In FY 2023, FEMA was able to complete the following efforts:</p> <ul style="list-style-type: none"> <li>• Conducted oversight over the independent actuary’s calculations to include the documentation of chosen assumptions and year-end storm projections.</li> <li>• Implemented an additional layer of review over the independent actuary’s statement of actuarial opinion.</li> <li>• Gathered and reviewed relevant supporting documentation to support the preparation of a final actuarial liability package for FY 2023 reporting.</li> </ul> <p><u>Additional Corrective Actions Planned</u>                      FEMA will continue to:</p> <ul style="list-style-type: none"> <li>• Design and implement policies and procedures that will include the review and approval by FIMA over the rating methodology.</li> <li>• Update actuarial liability procedures to reflect all relevant processes when changes in the loss reserve estimates result in significant variances.</li> </ul> <p>Enhance processes to validate that assumptions, methods, or models in the calculation of the year-end flood insurance liability are accurate, valid, and complete.</p>			



**Table 4: Internal Control over Financial Reporting Deficiency Details and Corrective Actions – IT Controls and Information Systems**

Area of Material Weakness	DHS Component(s)	Year Identified	Target Correction Date
IT Controls and Information Systems	All	FY 2003	FY 2028
<p>Multiple deficiency areas exist that are attributed to the Information Technology (IT) Controls and Information Systems area of material weakness, which include the following:</p> <p><b><i>Financial System Requirements</i></b> (Contributing Component(s): All)</p> <p><u>Deficiency Details</u>            Insufficient design and implementation of controls in accordance with the DHS Information System Security program, Sensitive Systems policy and federal information security requirements.</p> <p><u>Corrective Actions Taken</u>            In FY 2023, the Department continued to utilize a risk-based approach for the IT Internal Control Program to help with scoping for systems as well as controls to prioritize remediation and internal assessments.</p> <ul style="list-style-type: none"> <li>• Management developed and executed Plans of Action and Milestones (POA&amp;Ms) to facilitate the remediation of the Information Technology General Controls (ITGC) deficiencies.</li> <li>• DHS Components prioritized remediation efforts related to Access Control, Audit Logging, and Segregation of Duties deficiencies.</li> </ul> <p><u>Additional Corrective Actions Planned</u>            Due to the extent and pervasiveness of the deficiency, multi-year corrective actions are expected to continue, to include:</p> <ul style="list-style-type: none"> <li>• Execution of a find, fix, test, and assert strategy that allows for risk-based prioritization and adjustments.</li> <li>• Utilization of IT Commitment Letters, signed by both the respective CFO and the Chief Information Officer (CIO) leadership.</li> <li>• Leadership support, oversight, and accountability over the design and implementation of internal controls in accordance with DHS information technology policy requirements.</li> <li>• Continued modernization of legacy financial systems and applications.</li> </ul> <p><b><i>Service Provider Monitoring</i></b> (Contributing Component(s): All)</p> <p><u>Deficiency Details</u></p> <ul style="list-style-type: none"> <li>○ Ineffective internal control related to service organizations, including the monitoring of Information Technology General Controls (ITGC) for external systems to ensure adequate reliance.</li> <li>○ Insufficient evaluation and documentation of service organizations roles, performing effective reviews of Service Organization Controls (SOC) reports, and addressing service provider risk in absence of SOC reports.</li> </ul> <p><u>Corrective Actions Taken</u>            In FY 2023, DHS was able to complete the following efforts:</p> <ul style="list-style-type: none"> <li>• The Office of the Chief Financial Officer updated guidance related to Service Provider Monitoring (SPM).</li> <li>• Optional work guidance documentation provided for walkthrough questionnaires, as well as templates to support the documentation of population, risk assessments, and roles and responsibilities.</li> <li>• Training provided through the DHS quarterly internal controls and risk management training events.</li> </ul>			





**Table 4 (Continued): Internal Control over Financial Reporting Deficiency Details and Corrective Actions – IT Controls and Information Systems**

Area of Material Weakness	DHS Component(s)	Year Identified	Target Correction Date
IT Controls and Information Systems (Continued)	All	FY 2003	FY 2028
<p><u>Additional Corrective Actions Planned</u> DHS will continue to execute improvements and corrective actions as cost beneficial. Multi-year actions to be completed include:</p> <ul style="list-style-type: none"> <li>Identifying and updating the population of service providers; conducting risk assessments; executing appropriate service provider risk response, management, and oversight; and ensuring that agreements with and utilization of new service providers enable adequate assurance related to service provider performed activities and controls.</li> </ul> <p><b>System Functionality/ Information Derived from Systems</b> (Contributing Component(s): All)</p> <p><u>Deficiency Details</u> Ineffective IT security control and inadequate application / functionality controls impact the ability for management to fully rely on system generated data and reports without putting the processes utilizing this information at risk.</p> <p><u>Corrective Actions Taken</u> In FY 2023, DHS was able to complete the following efforts:</p> <ul style="list-style-type: none"> <li>The Office of the Chief Financial Officer released guidance related to Business Process Application Controls and updated guidance related to Information Used in Controls (IUC).</li> <li>Optional work guidance documentation provided for IUC walkthrough questionnaires, as well as IUC templates to support the documentation of population, and risk assessments.</li> <li>Training provided through the DHS quarterly internal controls and risk management training events as well as through the annual CFO Symposium.</li> </ul> <p><u>Additional Corrective Actions Planned</u> As compliance with system security requirements is improved, additional focus will be applied in these areas. In the interim, DHS will continue to execute improvements and corrective actions as cost beneficial. Multi-year actions to be completed include:</p> <ul style="list-style-type: none"> <li>Identifying automated controls within business processes, assessing the design and effectiveness of automated controls that address business process risks and objectives, and validating the effectiveness of automated controls.</li> <li>Identifying the population of IUC relied upon for internal controls over financial reporting, performing a risk assessment over those IUCs to determine the highest risk items, and implementing procedures to obtain assurance related to the quality and reliability of IUC.</li> </ul>			

In FY 2023, DHS continued to identify a significant deficiency related to the reporting of seized and forfeited property that is in the custody of the Department<sup>6</sup>. DHS noted: 1) a lack of effective controls over the complete and accurate recording of seized and forfeited property transactions in the system of record by CBP and ICE; 2) instances of ineffective internal communication between DHS Components and external communication with

<sup>6</sup> Additional transparency is being provided related to this deficiency area as the external auditor did report this as a material weakness in FY 2023. Please refer to the Summary of Financial Statement Audit and Management Assurances that has been provided in Other Information.



agencies receiving transferred seized property from DHS; and 3) lack of controls over high seas seizures.

Seized and forfeited property, in alignment with Statement of Federal Financial Accounting Standards (SFFAS) No. 3 and OMB Circular No. A-136, are reported with a non-financial value in the notes to the financial statements. While deficiencies were identified related to the reporting of seized and forfeited property, the Department has determined they do not rise to the level of a material weakness. SFFAS No. 3 states the concept of materiality includes both qualitative and quantitative considerations, and that an item may be considered qualitatively material if it would influence or change the judgment of the financial statement user. DHS believes that the issues identified, as reviewed collectively, do not materially impact the judgment of a user of the financial statements.

The Department plans to continue its efforts to remediate the identified significant deficiency in seized and forfeited property reporting in FY 2024. In FY 2023, CBP made improvements to the seized and forfeited property system of record to enhance data quality and fiscal reporting. ICE developed new capabilities to improve data quality and provided enhanced guidance and trainings. Going forward, CBP and ICE will continue remediation efforts in this area to improve controls over the property system of record to include timely and accurate initial entries. CBP and ICE will also develop policies and procedures for high seas seizures and communicate the new procedures through training. By remaining diligent and continuing to improve collaboration efforts to address known deficiencies in this area, the Department is confident that controls around the reporting of seized and forfeited property can be efficiently and effectively designed and operating going forward.

## **Federal Financial Management Improvement Act (FFMIA)**

FFMIA requires federal agencies to implement and maintain financial management systems that substantially comply with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Standard General Ledger at the transaction level. A financial management system includes an agency's overall financial operation, reflecting the people, processes, and technology to capture, classify, summarize, and report data in a meaningful manner to support business decisions.

DHS assesses financial management systems annually for compliance with the requirements of Appendix D to OMB Circular No. A-123 and other federal financial system requirements. In addition, available information from audit reports and other relevant and appropriate sources, such as FISMA compliance activities, is reviewed to determine whether DHS financial management systems substantially comply with FFMIA. Improvements and ongoing efforts to strengthen financial management systems are considered as well as the impact of instances of non-compliance on overall financial management system performance.

Based on the results of the overall assessment, the IT Controls and Information Systems area of material weaknesses continues to affect the Department's ability to fully comply with financial management system requirements. Therefore, the Department is also reporting a non-compliance with FFMIA. The Department is actively engaged to correct the area of material weakness through significant compensating controls while undergoing system improvement and modernization efforts. The outcome of these efforts will efficiently enable the Department to comply with government-wide requirements and thus reduce the need for manual compensating controls.



**Table 5: FFMIA Non-compliance Details and Corrective Actions**

Area of Material Weakness	DHS Component(s)	Year Identified	Target Correction Date
	All	FY 2003	FY 2028
FFMIA	<p>Multiple deficiency areas exist that are attributed to the FFMIA area of non-compliance, which include the following:</p> <p><b>Financial System Requirements</b> (Contributing Component(s): All)</p> <p><u>Non-Compliance Details</u> DHS does not substantially comply with FFMIA primarily due to lack of compliance with financial system requirements as disclosed in the IT Controls and System Functionality area of material weakness.</p> <p><u>Corrective Actions Taken</u> Refer to the corrective actions taken for the IT Controls and System Functionality area of material weakness.</p> <p><u>Additional Corrective Actions Planned</u> Refer to the additional corrective actions planned for the IT Controls and System Functionality area of material weakness.</p> <p><b>Federal Accounting and U.S. Standard General Ledger (USSGL) Requirements</b> (Contributing Component(s): CBP, FEMA, ICE, MGMT, &amp; USCG*)</p> <p><u>Non-Compliance Details</u> CBP, FEMA, ICE, MGMT (as supporting the financial core accounting system for CWMD, TSA, and USCG), and USCG noted that certain key systems are unable to produce transaction level activity that reconciles at the USSGL-level. USCG also reported a lack of compliance as its financial and mixed systems do not allow for financial statements and budgets to be prepared, executed, and reported fully in accordance with the requirements prescribed by the OMB, Treasury, and the Federal Accounting Standards Advisory Board.</p> <p><u>Corrective Actions Taken</u> Refer to the corrective actions taken for the IT Controls and System Functionality area of material weakness.</p> <p><u>Additional Corrective Actions Planned</u> Due to the extent and pervasiveness of the non-compliance, multi-year corrective actions are expected to continue, to include:</p> <ul style="list-style-type: none"> <li>• DHS OCFO and Components will continue to design, document, and implement compensating controls to reduce the severity of legacy system application / functionality limitations.</li> <li>• Continued modernization of legacy financial systems and applications.</li> </ul>		

## Digital Accountability and Transparency Act of 2014

Pursuant to OMB Circular No. A-123, Appendix A, Management of Reporting and Data Integrity Risk, the Department issued its latest Digital Accountability and Transparency Act of 2014 (DATA Act) Data Quality Plan on August 16, 2022. The plan describes the organizational structure, operating environment, internal controls processes, and systems used to generate, validate, and evaluate the data published to USAspending.gov. The plan includes DHS’s processes for compiling, reviewing, and monitoring the quality of data provided to USAspending.gov. In addition, the plan describes the processes to assess the level of data quality, methods for increasing the data quality, and the data risk management strategy. The outcomes of this plan align with the Administration’s goal for greater transparency, ultimately benefiting citizens and holding the Government accountable for its stewardship over its assets.



DHS Components assess the design and operating effectiveness of their respective DATA Act reporting processes and controls over consolidation and variance resolution of data submitted to DHS Headquarters. DHS also utilizes a risk assessment process to identify high risk data elements and tests the accuracy, completeness, and timeliness of the recorded transactions against source documents. This two-pronged approach ensures that the Department can provide reasonable assurance that reports over DATA Act are reliable both at reporting and transaction- levels further supporting the fidelity of reported transactions to Treasury. In FY 2023, FEMA and USCG noted a material inadequacy associated with DATA Act reporting. The FEMA inadequacy has been substantially compensated due to DHS validation pre-check processes as well as regular oversight and metrics reporting. Alternately, USCG continues to face challenges generating a complete and accurate financial data report following its core accounting system transition. Despite the FEMA and USCG noted exceptions, DHS has successfully matched over 99.5 percent of financial data (File C) and award data (File D) dollars that correspond to approximately \$54.5 billion as of June 30, 2023.

To continue making improvements and enhancements to the Department's DATA Act reporting processes and controls, an enhanced Component corrective action plan process is maintained that: 1) addresses researching and correcting matching award identification numbers with non- matching obligation amounts; 2) identifies the root causes of timing issue misalignments; and 3) continuously tracks misalignments until corrective actions are completed.

## Financial Management Systems

Pursuant to the Chief Financial Officers Act of 1990, the DHS CFO is responsible for developing and maintaining agency accounting and financial management systems to ensure systems comply with applicable accounting principles, standards, and requirements with internal control standards. As such, the DHS CFO oversees and coordinates all the Financial Systems Modernization (FSM) efforts for the Department's core accounting systems.

Foundational tenets for the FSM programs are:

- Increase business process standardization across Components through efforts to define a common set of financial management business processes and then ensure that the Component business process re-engineering and modernization efforts reflect the DHS process standard.
- Implement standard financial data element structures, such as the DHS Accounting Classification Structure and Common Appropriation Structure, across Components to standardize reporting and reduce manual reporting processes and inconsistent data.
- Continue to plan and execute financial system modernization projects by migrating components to modernized platforms with integrated asset and procurement management systems that meet Department and government-wide requirements, reduce the need for manual processes, and strengthen internal controls. FSM projects should leverage existing infrastructure, and technologies such as cloud-based solutions to the extent possible, following guidance and lessons learned from previous attempts to integrate DHS Components' financial management systems.



- Lastly, after standardization and modernization has occurred, work to consolidate financial operations and transaction processing service centers, where cost effective.

DHS has established the FSM Joint Program Management Office (JPMO) to lead and manage all aspects of the FSM programs. The first major project was to transition CWMD, TSA, and USCG (known as the Trio) out of their current shared environment and into a DHS-managed solution. This solution, known as the Financial Systems Modernization Solution (FSMS), delivers a standardized baseline for the Trio. In October of 2019, the Department completed upgrading CWMD to the latest version of the solution. In October of 2020, TSA went live on the FSMS platform followed by USCG in December of 2021. Despite the massive change management and data migration effort, DHS was able to sustain an unmodified financial statement opinion after each of these transitions.

Building on the Trio modernization, DHS has commenced efforts to modernize the financial systems used by FEMA, ICE, and certain other Components that leverage ICE's current system including USCIS and CISA. During FY 2023, DHS awarded contracts for software and system integration services at these components. The FEMA modernization project was formally kicked off in October 2023, and the ICE project is anticipated to begin later in FY 2024. Lessons learned from the Trio implementations will be further leveraged as the JPMO moves forward with these projects.

Beyond the standardization benefits discussed above, the transition to modern financial systems is expected to improve financial management efficiency, strengthen cyber security, and help the Department mitigate areas of material weakness in Financial Reporting and Information Technology Controls and Information Systems. Over time, these improvements will move DHS closer to its goal of a clean audit opinion on Internal Control over Financial Reporting.

In addition to the DHS FSM efforts, the DHS Chief Information Officer (CIO) and Component CIOs met federal mandates to develop IT strategic plans, analyze legacy IT infrastructure requirements, and identify modernization needs. The DHS Office of the Chief Information Officer (OCIO) issued the [FY 2024-2028 Information Technology Strategic Plan](#) on March 28, 2023. The DHS IT Strategic Plan FY 2024-2028 enables the Department to set goals and support cross-functional and cross-organizational priorities to achieve our mission. This plan is intended as a guide to help define goals and objectives for the DHS workforce and support delivery of modern, innovative, and efficient services and solutions to safeguard the homeland. The DHS IT Community will align to these strategic goals to support our mission during the next five years. The plan will be executed collaboratively across DHS Headquarters, Agencies and Offices.

The backbone of this plan and the most critical factor to its success will be the 5,000 talented and committed professionals that comprise the DHS IT workforce. This strategy ensures we continue to invest in our talented workforce and prepare our colleagues for the future in an ever-changing IT landscape. Moreover, much of this modernization plan originated from countless conversations, meetings, town halls, and site visits with the IT workforce across the Department.



The IT Strategic Plan outlines the following six goals:

#### Goal 1: Invest in the DHS IT Workforce

- Build a diverse, equitable, and inclusive workplace.
- Create department-wide training programs.
- Fully leverage modern hiring practices.
- Enhance cohesion within the IT community.

#### Goal 2: Responsibly Use Artificial Intelligence (AI) to Transform Operations

- Adopt AI technologies.
- Ensure sage, trustworthy, and responsible use.
- Develop enabling AI infrastructure.
- Build an AI-ready workforce.

#### Goal 3: Leverage Data as a Strategic Asset

- Integrate data across disparate systems and data sources.
- Strengthen data inventory and discovery.
- Ensure adherence to records retention requirements.
- Refine mission-aligned data governance.
- Partner to drive evidence-based policymaking.
- Publish more usable open data and Application Programming Interfaces.

#### Goal 4: Improve Customer Experience and Transform Service Delivery

- Transform critical services.
- Use accountability and compliance processes to improve accessibility and reduce public burden.
- Build and strengthen a human-centered decision-making culture.
- Mature and measure Customer Experience organizations and practices.

#### Goal 5: Build Modern, Effective Software

- Modernize in place.
- Ensure government accountability and ownership.
- Research, develop, test, and deploy iteratively and continuously.
- User enterprise services.

#### Goal 6: Secure Our Systems & Data

- Advance cybersecurity capabilities through the Unified Cybersecurity Maturity Model (UCMM).
- Secure IT supply chains.
- Implement Zero Trust architecture.
- Partner to increase cybersecurity resilience.

DHS is committed to a comprehensive IT modernization approach that strategically integrates statutory CIO authorities. Our goal is to seamlessly infuse IT modernization priorities into existing DHS decision-making processes, in alignment with the objectives set forth in the Modernizing Government Technology Act of 2017 and this strategic plan.