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Management and Accountability,
Committee on Homeland Security,
House of Representatives

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FEDERAL PROTECTIVE SERVICE'S ORGANIZATIONAL PLACEMENT

Considerations for Transition to the DHS Management Directorate

Statement of Lori Rectanus
Director, Physical Infrastructure

GAO Highlights

Highlights of [GAO-19-605T](#), a testimony before the Subcommittee on Oversight, Management and Accountability, Committee on Homeland Security, House of Representatives

Why GAO Did This Study

FPS conducts physical security and law enforcement activities for about 9,000 federal facilities and the millions of employees or visitors who work in or visit these facilities. Legislation enacted in November 2018 required DHS to determine the appropriate placement for FPS. The legislation also gave the Secretary of DHS authority to move FPS within DHS. In May 2019, DHS announced its decision to place FPS within the DHS Management Directorate as a direct report to the Under Secretary for Management.

GAO has reported that FPS faces persistent challenges in meeting its mission to protect facilities, and, as of 2019, physical security continues to be part of GAO's federal real property management high-risk area. For example, FPS has not yet fully implemented its guard management system. Thus, FPS is unable to obtain information to assess its guards' capability to address physical security risks across its portfolio.

This statement describes considerations for FPS's placement in DHS's Management Directorate based upon five key organizational placement criteria GAO identified, as well as steps to transition FPS based upon GAO's prior work on organizational change.

This testimony is based on reports GAO issued from 2002 through 2019, particularly, GAO's January 2019 report on FPS's organizational placement. Detailed information on the scope and methodology for this work can be found in these published products, cited throughout this testimony.

View [GAO-19-605T](#). For more information, contact Lori Rectanus at (202) 512-2834 or rectanusl@gao.gov.

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What GAO Found

In its January 2019 report, GAO identified five key criteria relevant for evaluating placement options for the Federal Protective Service (FPS) within the Department of Homeland Security's (DHS) or other federal agencies. (See table.)

Key Criteria for Evaluating Placement Options for the Federal Protective Service (FPS)

Key criteria	Description
Mission, goals, and objectives	An agency's ability to function well is dependent upon having a clear mission, goals and objectives.
Responsibilities	In order for an agency to perform its duties, it needs to have clear responsibilities and the capacity to do them. Agency responsibilities generally stem from the objectives outlined in strategic plans and can take the form of Memoranda of Agreement or agency directives.
Organizational culture	Organizational culture includes the underlying beliefs, values, attitudes, and expectations that influence the behaviors of agency employees.
Information sharing and coordination	An agency's ability to share information related to national homeland security is necessary for the protection of federal facilities. Coordination refers to working with other agencies to provide this protection.
Mission support	Mission support includes training, financial management, human capital, and information technology (IT) to support the agency in fulfilling its mission.

Source: GAO. | GAO-19-605T

Placing FPS, in the DHS Management Directorate was not an option GAO assessed in its January 2019 report. However, GAO did assess the option of making FPS a "standalone" entity reporting directly to the Deputy Secretary of DHS. GAO found that this placement met the first criteria (**mission, goals, and objectives**) and the third criteria (**organizational culture**) but did not completely meet the other criteria. For example, FPS had joint responsibility for coordinating facility protection with other federal agencies. DHS did not have joint responsibility for coordinating facility protection with FPS. GAO recommended DHS fully evaluate placement options for FPS. DHS concurred, and officials stated they conducted an assessment. GAO has not yet received DHS's assessment of placement options.

GAO's prior work on implementing an organizational change provides valuable insights for making any transition regarding FPS. These insights include key questions to consider such as: "What are the goals of the consolidation?" "How have stakeholders been involved in the decision-making?" In addition, GAO has identified key practices for organizational transformation, practices that include ensuring that top leadership drives the transformation and establishing a communication strategy to create shared expectations, among others. These questions and practices could provide insights to DHS and FPS as they implement FPS's new placement.

Madam Chairwoman Torres Small, Ranking Member Crenshaw, and Members of the Subcommittee:

I am pleased to be here today to discuss considerations related to the Federal Protective Service's (FPS) organizational placement. For almost 50 years, FPS has been charged with protecting federal facilities and the millions of employees and individuals who work in or visit them. FPS provides physical-security and law-enforcement services at about 9,000 facilities, a majority of which are held¹ or leased by the General Services Administration (GSA).

The organizational placement of an office or agency can affect its performance and ability to meet its mission. Our prior work has found that during FPS's previous organizational placements in GSA and two agencies within the Department of Homeland Security (DHS), it experienced a number of operational, management, and funding challenges, which had a bearing on its ability to accomplish its mission. Most recently, in January 2019, we reported that FPS had made progress in addressing some of these challenges, but others persisted. We also identified criteria DHS should consider in evaluating organizational placement options for FPS.²

In May 2019, DHS announced its decision to transfer FPS from its Cybersecurity and Infrastructure Security Agency (CISA) to its Management Directorate, and to report to the Under Secretary for Management. We have also previously reported on practices to consider in implementing organizational transformations or reorganizations.³ In light of DHS's decision, this testimony describes (1) considerations for FPS's placement in DHS's Management Directorate, and (2) steps to transition FPS.

This statement is primarily based on our January 2019 report. For that report, we reviewed our 2002 work related to organizational

¹ GSA-held facilities are federally-owned facilities under the custody and control of GSA.

² GAO, *Federal Protective Service: DHS Should Take Additional Steps to Evaluate Organizational Placement*, [GAO-19-122](#) (Washington, D.C.: Jan. 8, 2019).

³ GAO, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, [GAO-03-669](#) (Washington, D.C.: July 2, 2003) and GAO, *Streamlining Government: Questions to Consider When Evaluating Proposals to Consolidate Physical Infrastructure and Management Functions*, [GAO-12-542](#) (Washington, D.C.: May 23, 2012).

transformation, which we conducted prior to the creation of DHS.⁴ From this prior work, we identified five key criteria for assessing potential placement options for FPS and we applied those key criteria to eight agencies that we identified as potential organizational placement options for FPS.⁵ For each criterion, we also identified elements (i.e., characteristics) that were specific to FPS based on our review of FPS documents, our prior work on topics related to the criterion, as well as our discussions with federal officials, an association representing federal law enforcement officers, and a former high-ranking official in the former National Protection and Programs Directorate (NPPD)—now reorganized as CISA—with knowledge of FPS. We identified placement options at agencies inside and outside of DHS that have similar responsibilities, where FPS was previously placed, or that reflected FPS’s management preference. We also reviewed our prior work on organizational change and *Standards for Internal Control in the Federal Government* for relevant management responsibilities.⁶

Our January 2019 report includes further details on the scope and methodology of our work.

We conducted the work on which this statement is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained

⁴ [GAO-19-122](#) and GAO, *Homeland Security: Critical Design and Implementation Issues*, [GAO-02-957T](#) (Washington D.C.: July 17, 2002).

⁵ [GAO-02-957T](#) identified criteria topics that include four overall purpose and structure questions, and seven organizational and accountability questions. We selected the most relevant questions to develop criteria for FPS’s organizational placement. The eight selected agencies are the Department of Homeland Security (DHS); U.S. Customs and Border Protection; U.S. Immigration and Customs Enforcement (ICE); National Protection and Programs Directorate (NPPD); United States Secret Service; General Services Administration (GSA); Department of Justice (Justice); and the U.S. Marshals Service (Marshals). We assumed that FPS would be a standalone entity in DHS, GSA, or Justice. At the end of GAO’s review, in November 2018, NPPD was renamed the Cybersecurity and Infrastructure Security Agency (CISA). In its January report, GAO referred to this agency as NPPD.

⁶ GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D. C.: Sept. 10, 2014).

provides a reasonable basis for our findings and conclusions based on our audit objectives.⁷

Background

While the core mission of protecting federal facilities has remained constant as FPS has moved from one agency to another, its responsibilities have changed. In the 1970s, GSA created FPS as part of its Public Buildings Service (PBS). While in GSA's PBS, FPS was responsible for protecting GSA's held or leased facilities, providing both physical security and law enforcement services. To protect buildings, FPS officers developed physical security risk assessments, installed security equipment, and oversaw contract guard services. As a part of its law enforcement services, among other duties, FPS officers enforced laws and regulations aimed at protecting federal facilities and the persons in such facilities and conducted criminal investigations.

Following the attacks on September 11, 2001, the Homeland Security Act of 2002⁸ was enacted. It created DHS and moved FPS from GSA to the new department, effective in March 2003. Within DHS, FPS was placed in U. S. Immigration and Customs Enforcement (ICE), where its responsibilities grew beyond solely protecting GSA buildings to include homeland security activities such as implementing homeland security directives and providing law-enforcement, security, and emergency-response services during natural disasters and special events.

In 2009, DHS proposed transferring FPS from ICE to NPPD. In explaining this transfer in DHS's fiscal year 2010 budget justification to Congress, DHS stated that having FPS and NPPD's Office of Infrastructure Protection in the same organization would further solidify NPPD as DHS's lead for critical infrastructure protection.⁹ FPS was placed in NPPD and continued to lead physical security and law enforcement services at GSA-held or GSA-leased facilities and continued its efforts in homeland security activities. In November 2018, legislation was enacted that reorganized NPPD to an organization that had a greater statutory focus

⁷ Detailed information on the scope and methodology of the GAO reports cited throughout this testimony can be found in these published products.

⁸ Pub. L. No. 107-296, 116 Stat. 2135.

⁹ Fiscal year 2010 FPS funding was provided as part of the NPPD appropriations. See Department of Homeland Security Appropriations Act, 2010, Pub. L. No. 111-83, 123 Stat. 2142, 2156-57 (2009).

on managing cyber risks and authorized the Secretary of Homeland Security to determine the appropriate placement for FPS within DHS and begin transfer of FPS to that entity.¹⁰

Throughout FPS's organizational placements in DHS, we have reported on persistent challenges it faced in meeting its mission to protect facilities. In 2011, we reported on FPS's challenges in transferring mission support functions from ICE to NPPD.¹¹ While FPS was in NPPD, we reported on FPS's challenges related to managing and overseeing contract guards and collaborating with GSA and the United States Marshals Service (Marshals) on facility security.¹² We made recommendations to help address these challenges and FPS has made progress on some of these recommendations. For example, in September 2018, FPS and GSA established a formal agreement on roles and responsibilities related to facility protection, as we recommended. However, in our January 2019 report, we identified challenges related to other aspects of overseeing contract guards and collaboration with other agencies on physical security that had persisted. As of June of 2019, FPS continues to work on establishing a contract guard-management system. However, FPS is unable to assess its guards' capabilities across its portfolio because the system is not fully implemented nor does it interact with its training system. As of 2019, federal physical security continues to be part of our federal real-property management's high-risk area.¹³

¹⁰ Cybersecurity and Infrastructure Security Agency Act of 2018, Pub. L. No. 115-278, 132 Stat. 4168.

¹¹ GAO, *Federal Protective Service: Progress Made but Improved Schedule and Cost Estimate Needed to Complete Transition*, [GAO-11-554](#) (Washington, D. C.: July 15, 2011).





¹² GAO, *Federal Protective Service: Actions Needed to Assess Risk and Better Manage Contract Guards at Federal Facilities*, [GAO-12-739](#) (Washington, D.C.: Aug. 10, 2012); *Federal Protective Service: Challenges with Oversight of Contract Guard Program Still Exist, and Additional Management Controls Are Needed*, [GAO-13-694](#) (Washington, D.C.: Sept. 17, 2013); *Homeland Security: FPS and GSA Should Strengthen Collaboration to Enhance Facility Security*, [GAO-16-135](#) (Washington, D.C.: Dec. 16, 2015); *DHS Management: Enhanced Oversight Could Better Ensure Programs Receiving Fees and Other Collections Use Funds Efficiently*, [GAO-16-443](#) (Washington, D.C.: July 21, 2016) and *Federal Courthouses: Actions Needed to Enhance Capital Security Program and Improve Collaboration*, [GAO-17-215](#) (Washington, D.C.: Feb. 16, 2017). FPS is fully funded by fees collected from federal agencies that use FPS for facility protection.

¹³ GAO, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, [GAO-19-157SP](#) (Washington, D.C.: Mar. 6, 2019).


Key Criteria for Evaluating Placement Options

In 2002, we reported on organizational and accountability criteria for establishing DHS. From this prior work, we identified key criteria that are relevant to assessing potential placement options for FPS, as shown in table 1.¹⁴

Table 1: Key Criteria for Evaluating Placement Options for the Federal Protective Service (FPS)

Key criteria	Description
 <p data-bbox="277 821 407 863">Mission, goals, and objectives</p>	<p>An agency's ability to function well is dependent upon having a clear mission, goals and objectives. In that respect, similarities in agency mission, goals and objectives between FPS and any other organization could affect the extent to which FPS's missions and goals are carried out effectively. Agency strategic plans describe the mission, goals, and objectives covering the major functions and operations of an agency.</p>
 <p data-bbox="277 1041 407 1062">Responsibilities</p>	<p>In order for an agency to perform its duties, it needs to have clear responsibilities and the capacity to do them. As a result, similarities in responsibilities between FPS and any other organization could affect the extent to which FPS's responsibilities are prioritized. Agency responsibilities generally stem from the objectives outlined in strategic plans and can take the form of Memorandums of Agreement or agency directives.</p>
 <p data-bbox="277 1272 407 1314">Organizational culture</p>	<p>Having a cohesive culture is critical to organizational success. Organizational culture includes the underlying beliefs, values, attitudes, and expectations that influence the behaviors of agency employees. Similarities in organizational cultures between FPS and any other organization could facilitate FPS's ability to meld and operate in another agency.</p>
 <p data-bbox="277 1514 407 1556">Information sharing and coordination</p>	<p>An agency's ability to share information is critical to its successful operation. This criterion includes sharing information related to national homeland security and necessary for the protection of federal facilities. Coordination refers to working with other agencies to provide this protection. Similarities between FPS and any other organization in information sharing and coordination could help ensure that FPS obtains the information it needs to perform its mission and activities.</p>

¹⁴ [GAO-02-957T](#). As described above, we selected criteria that were most relevant to FPS's organizational placement. See [GAO-19-122](#) for more information.

Key criteria	Description
	<p>An agency requires effective mission support in order to carry out its duties. Mission support includes training, financial management, human capital, and information technology (IT) to support the agency in fulfilling its mission. The mission support made available to FPS by any organizational placement may affect FPS's operations.</p>


Source: GAO. | GAO-19-605T.





Considerations for FPS's Placement in DHS's Management Directorate

For our January 2019 report, we applied these key criteria for evaluating organizational placement to eight agencies that could be potential placement options for FPS. We found that none of the selected agencies met all the organizational placement criteria; thus, any of the organizational placement options could result in both benefits and trade-offs. In instances where placing FPS within DHS met our criteria (that is, instances where DHS was similar to FPS), FPS could experience benefits. In those instances where the criteria were not met, we reported it would be incumbent upon any agency to consider and address any potential trade-offs in order to ensure the decision was successful.

We reviewed FPS as a "standalone" entity reporting directly to the Deputy Secretary of DHS and found this placement option met several key criteria. Table 2 below summarizes our analysis.

Table 2: Comparison of the Department of Homeland Security (DHS) and the Federal Protective Service (FPS) in Key Criteria for Organizational Placement

Key criteria	FPS as a standalone agency in DHS	Met/ Did not Meet
	<p>DHS is similar to FPS in that their mission statements and goals include an explicit focus on the protection of infrastructure or specific facilities.</p>	Met

Key criteria	FPS as a standalone agency in DHS	Met/ Did not Meet
 <p>Responsibilities</p>	<p><i>Facility protection responsibilities</i> Similar to FPS, DHS has facility protection responsibilities.</p> <p><i>Physical security and law enforcement activities</i> DHS is similar to FPS because it performs both physical security and law enforcement activities.</p> <p><i>Contract guard responsibilities</i> FPS employs and oversees a large number of contract guards. DHS only uses a limited number of contract guards.</p>	<p>Met</p> <p>Met</p> <p>Did not meet</p>
 <p>Organizational culture</p>	<p>DHS has a similar culture to FPS in that it is a law enforcement agency.</p>	<p>Met</p>
 <p>Information sharing and coordination</p>	<p><i>Information sharing</i> DHS, like FPS, has access to and can share information related to national homeland security.</p> <p><i>Coordination of activities</i> FPS and GSA have joint responsibility for protecting facilities, and FPS, GSA, and the U.S. Marshals have joint responsibility for protecting courthouses. DHS does not have joint responsibility for coordinating facility protection with FPS.</p>	<p>Met</p> <p>Did not meet</p>
 <p>Mission support</p>	<p><i>Financial management</i> FPS collects monies from other federal agencies to support its operations. DHS does not collect fees from other federal agencies to support its operation.</p> <p><i>Human capital</i> DHS has the authority to fill competitive service jobs that could support FPS needs.</p> <p><i>Information technology – financial management systems</i> FPS owns many of its operational and business-related IT systems and applications but does not own some systems, such as a financial management system. DHS has financial management systems that can support FPS.</p> <p><i>Law enforcement training</i> FPS has access to DHS's Federal Law Enforcement Training Centers for law enforcement training.</p>	<p>Did not meet</p> <p>Met</p> <p>Met</p> <p>Met</p>

Source: GAO. | GAO-19-605T

Notes: For the purposes of our comparison of DHS to FPS, we assumed that FPS was independent of DHS.

For the first four criteria—(1) mission, goals, and objectives; (2) responsibilities; (3) organizational culture; and (4) information sharing and coordination—we determined that DHS met the criteria if the agency or its subcomponents had any similarities to FPS. For the last criterion—mission support—we determined that DHS met the criterion if the agency or its subcomponents had similarities to FPS or could provide FPS needed mission support.

Mission, Goals, and Objectives. In January 2019, we reported that FPS’s mission focused on the protection of federal facilities and the people working in and visiting those facilities. DHS was similar to FPS in that its mission statement and goals as stated in its strategic plan include an explicit focus on the protection of infrastructure or specific facilities. Our prior work found that placing an agency into an organization that has a similar mission might help ensure that the agency’s mission receives adequate funding, attention, visibility, and support.¹⁵ Our January 2019 work reported that one of DHS’s goals—as noted in its strategic plan covering fiscal years 2014 to 2018—was to reduce risk to the nation’s critical infrastructure. DHS and FPS share objectives that focus on mitigating risks and responding to incidents.

Responsibilities. In January 2019, we reported that FPS has facility-protection and physical-security responsibilities and law-enforcement, and contract-guard oversight responsibilities. DHS was similar to FPS as it had responsibilities for physical security and performed law enforcement functions. As a part of its physical security activities, FPS conducted facility security assessments,¹⁶ identified countermeasures (e.g., equipment and contract guards) best suited to secure a facility, and oversaw contract guards. As a part of its law enforcement activities, FPS proactively patrolled facilities, responded to incidents, and conducted criminal investigations. FPS also provided additional operational law enforcement support, at the direction of the Secretary of Homeland Security, to address emerging threats and homeland security incidents. One of FPS’s most critical activities was overseeing about 13,500 contract guards who were posted at federal facilities and were

¹⁵ [GAO-02-957T](#).

¹⁶ These assessments consist of identifying and assessing threats and vulnerabilities of a facility.

responsible for controlling access to facilities, responding to emergency situations involving facility safety and security, and performing other duties. FPS was responsible for ensuring, among other things, that these guards are performing their assigned duties and have the necessary training and certifications. DHS, however, only used a limited number of contract guards and therefore had less responsibility. At the time of our review, DHS officials told us they procured about 130 guards.

Organizational Culture. In January 2019, we reported that while there are many areas relevant to organizational culture, law enforcement was a key aspect of FPS's organizational culture, according to officials we interviewed from an association of security companies and a former, high-ranking official in NPPD. DHS had a similar culture in that it was a law enforcement agency.

Information Sharing and Coordination. In January 2019, we reported that Component Intelligence Programs (CIP) were organizations in DHS that collected, gathered, processed, analyzed, produced, or disseminated information related to national homeland security. In 2016, DHS designated a division within FPS as a CIP, a move that allowed FPS more access to information on threats other DHS agencies have identified and actions they plan to take. While DHS, like FPS, had access to and could share information related to national homeland security, DHS did not have joint responsibility for coordinating facility protection with FPS. Rather, FPS shared this responsibility with GSA, and these two agencies and Marshals had joint responsibility for protecting courthouses. FPS has faced challenges with coordinating with these agencies in the past. For example, in September 2011, we reported that FPS, Marshals, and other agencies involved in protecting courthouses (i.e., GSA and the Administrative Office of the U.S. Courts) faced challenges related to coordination, such as in the implementation of roles and responsibilities and the use or participation in existing collaboration mechanisms.¹⁷

Mission Support. In January 2019, we reported that mission support was comprised of financial management, human capital, information technology systems for financial management, and law enforcement

¹⁷ We recommended that these entities address these issues by updating a memorandum of agreement that, among other things, clarifies roles and responsibilities. GAO, *Federal Courthouses: Improved Collaboration Needed to Meet Demands of a Complex Security Environment*, [GAO-11-857](#) (Washington, D.C.: Sept. 28, 2011). An updated memorandum was drafted but had yet to be signed by all parties.

training. FPS owned and used many of the key operational and business-related information technology (IT) systems and applications it needs to carry out its mission. However, FPS received some mission support services from other agencies in DHS, such as human capital and some aspects of information technology. We found that if FPS changed its organizational placement it would need mission support in these areas. For example, FPS did not have delegated examining authority to allow it to fill competitive civil service jobs and relied on NPPD to provide this service.¹⁸ DHS had the authority to fill competitive service jobs that could support FPS needs. Further, FPS used a financial management IT system owned by ICE. DHS could provide FPS access to financial management systems that can support FPS. Finally, FPS offered its own training courses and would still need access to DHS's Federal Law Enforcement Training Centers.

In our January 2019 report, we did not assess FPS as a placement within DHS's Management Directorate.¹⁹ Further, we recommended DHS (1) identify the specific goals of a change in FPS's placement—that is, what DHS expects to achieve by moving FPS to another agency, and (2) fully evaluate placement options for FPS based on what DHS expects to achieve by changing FPS's placement, an assessment of FPS's current placement, and other best practices such as an analysis of alternatives assessing the benefits and trade-offs. DHS agreed with our recommendations. In May 2019, FPS officials told us that the Acting Secretary's decision to place FPS within the Management Directorate was based upon an assessment of placement options within DHS using criteria and analyzing the trade-offs. GAO has not yet received DHS's assessment of placement options. We will assess the actions DHS has

¹⁸ Delegated examining authority is an authority that allows federal executive branch agencies to fill competitive civil service jobs through a delegation from the Office of Personnel Management. Agencies with this authority fill the civil service jobs by performing activities such as recruiting and hiring.

¹⁹ DHS's Management Directorate ensures that the Department's over 240,000 employees have well-defined responsibilities and that managers and their employees have efficient means of communicating with one another, with other governmental and nongovernmental bodies, and with the public they serve. The Management Directorate is responsible for budget, appropriations, expenditure of funds, accounting and finance; procurement; human resources and personnel; information technology systems; biometric identification services; facilities, property, equipment, and other material resources; and identification and tracking of performance measurements relating to the responsibilities of the Department.

taken in response to our recommendations when we receive DHS's assessment.

Steps to Transition FPS

Our prior work offers valuable insights for agencies to consider when evaluating or implementing a reorganization or transformation, and can provide insights for making any transition regarding FPS. These include considering (1) key questions for consolidations and (2) leading practices when implementing an organizational change.

Two sets of considerations for organizational transformations provide insights for making any FPS organizational placement. First, in May 2012, we reported on key questions for agency officials to consider when evaluating and implementing an organizational change that involves consolidation.²⁰ Table 3 provides a summary of these key questions. Answering these questions would help provide FPS with assurance that important aspects of effective organizational change are addressed.

Table 3: Key Questions to Consider When Evaluating and Implementing Consolidation

Key questions

What are the goals of the consolidation? What opportunities will be addressed through the consolidation and what problems will be solved? What problems, if any, will be created?

What will be the likely costs and benefits of the consolidation? Are sufficiently reliable data available to support a business-case analysis or cost-benefit analysis?

How can the up-front costs associated with the consolidation be funded?

Who are the consolidation's stakeholders, and how will they be affected? How have the stakeholders been involved in the decision, and how have their views been considered? On balance, do stakeholders understand the rationale for consolidation?

To what extent do plans show that change management practices will be used to implement the consolidation?

Source: GAO. | GAO-19-605T

Second, we reported in July 2003 on key practices and implementation steps for mergers and organizational transformations.²¹ The practices we noted are intended to help agencies transform their cultures so that they

²⁰ [GAO-12-542](#).

²¹ [GAO-03-669](#).

can be more results oriented, customer focused, and collaborative in nature (see table 4).

Table 4: Key Practices and Implementation Steps for Mergers and Organizational Transformations

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

Source: GAO. | GAO-16-605T

In summary, the questions and practices for organizational change that we previously identified could provide insights to DHS and FPS for any transition.

Madam Chairwoman Torres Small, Ranking Member Crenshaw, and Members of the Subcommittee, this concludes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

GAO Contacts and Staff Acknowledgments

If you or your staff has any questions concerning this testimony, please contact Lori Rectanus at 202-512-2834 or rectanusl@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. In addition to the contacts named above: Amelia Bates Shachoy (Assistant Director); Roshni Davé; George Depaoli (Analyst-in-Charge); Geoffrey Hamilton; Kelly Rubin; Sarah Veale; and Amelia Michelle Weathers made key contributions to the testimony. Other staff who made contributions to the reports cited in the testimony are identified in the source products.

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Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800, U.S. Government Accountability Office, 441 G Street NW, Room 7149, Washington, DC 20548

Strategic Planning and External Liaison

James-Christian Blockwood, Managing Director, spel@gao.gov, (202) 512-4707, U.S. Government Accountability Office, 441 G Street NW, Room 7814, Washington, DC 20548



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