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OFFICE of
INSPECTOR GENERAL

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UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

HUD Fiscal Year 2023 Federal Information Security Modernization Act of 2014 Evaluation Report

Washington, DC | 2023-OE-0001

January 29, 2024

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Date: January 29, 2024

To: Marcia L. Fudge
Secretary, S

From: Rae Oliver Davis
Inspector General, G



Subject: Fiscal Year 2023 Federal Information Security Modernization Act of 2014 Evaluation Report and Inspector General Metric Responses

We have completed our fiscal year (FY) 2023 Federal Information Security Modernization Act of 2014 (FISMA) evaluation. Our final report (FY 2023 FISMA Evaluation Report, Number 2023-OE-0001) and our responses to the annual Office of Inspector General (OIG) 2023 FISMA metrics are enclosed. FISMA requires Inspectors General (IG) to conduct an annual independent evaluation to determine the effectiveness of the agency information security (InfoSec) program and practices.

The Office of Management and Budget (OMB) established metrics for IGs to apply when conducting FISMA assessments. Consistent with OMB guidance, our evaluation assesses the Department's InfoSec program against these metrics to determine the maturity and effectiveness of the program. The domains are composed of 66 individual metrics, however, for FY 2023 OMB instructed IG's to focus the evaluation on 20 core and 20 supplemental metrics. The metrics and domains were assessed using a maturity model that is designed to measure the effectiveness of the agency's InfoSec program. Each domain is measured using a 5-level maturity model with maturity level 1 described as ad hoc and level 5 described as optimized. OMB and the OIG FISMA metric guidance states that an agency InfoSec program is effective at a maturity level 4, which is the managed and measurable maturity level. HUD's FY 2023 overall FISMA maturity was assessed at level 2, the "defined" maturity level, which remained the same as its FY 2022 maturity level. This outcome is despite HUD's increasing maturity in 10 of 40 metrics, remaining at the same maturity level for 25 metrics, and dropping in maturity in 5 metrics, which was statistically consistent with prior fiscal years.

Our report highlights the strengths and weaknesses in each of the nine domains and provides recommendations to assist in addressing those weaknesses. The report also recognizes HUD's initiatives to improve the HUD InfoSec program. We encourage HUD to continue the improvements, address our recommendations, and establish priorities to achieve an effective InfoSec program. The attached narrative report provides an executive summary and detailed results for each domain. We provide 23 new recommendations and 66 opportunities for improvement, with only the recommendations being formally tracked by our office. The report associates each FY 2023 HUD OIG recommendation to an IG FISMA metric. This association should enable HUD to better prioritize maturing each component of its IS program. Further, each IG FISMA metric is supported by one or more Federal regulations, policies, guidance, or best business practices to guide HUD's improvement.

