

Highlights of [GAO-12-654](#), a report to congressional committees

Why GAO Did This Study

The Department of Housing and Urban Development (HUD) relies extensively on information technology (IT) in carrying out its home-ownership and community development missions. Despite this role, HUD's IT environment has not effectively supported its business operations, and the department has been working to modernize its IT infrastructure and systems through its Transformation Initiative. In addition, HUD has been working to institutionalize key IT management controls to help ensure the success of these efforts. To provide oversight and inform decision making, Congress established limitations on funding for HUD's modernization efforts. Specifically, the 2011 appropriations act required HUD to submit an expenditure plan that satisfied two sets of statutory conditions before obligating more than 35 percent of the funds available.

To satisfy the first set of conditions, the plan had to identify for each of HUD's seven modernization projects, functional and performance capabilities, expected mission benefits, estimated lifecycle costs, and planned key milestones. For the second set of conditions, the plan had to demonstrate that each project is supported by an adequately staffed project office, conforms to capital planning and investment control requirements, complies with HUD's enterprise architecture, and is being managed in accordance with applicable lifecycle policies. Congress also required that GAO review the plan. To do this, GAO reviewed the plan and supporting documentation and determined whether it contained information to address both sets of statutory conditions.

View [GAO-12-654](#). For more information, contact Valerie C. Melvin at (202) 512-6304 or melvinv@gao.gov.

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INFORMATION TECHNOLOGY

HUD's Fiscal Year 2011 Expenditure Plan Satisfies Statutory Conditions

What GAO Found

HUD's fiscal year 2011 expenditure plan, which seeks to obligate about \$114 million for seven modernization projects (see table), along with enterprisewide services and program management, satisfies both sets of statutory conditions contained in the 2011 appropriations act. Specifically, for the first set of statutory conditions, the plan identified the functional and performance capabilities, mission benefits, lifecycle costs, and key milestones for each of the projects. For example, the plan described specific and measurable mission benefits associated with HUD's Place-Based Performance Management System project, such as reducing the time to compile performance information from 50 hours to 20 hours. In addition, the plan described costs associated with the lifecycle of each project, providing details on funds needed for major work activities.

The plan also satisfied the second set of statutory conditions by describing how each project is supported by an adequately staffed project office, conforms to capital planning and investment control requirements, complies with the department's enterprise architecture, and is being managed in accordance with applicable lifecycle management policies and guidance. For example, the plan categorized each project according to a segment of the department's evolving enterprise architecture (e.g., grants management and financial management).

As a result, HUD's plan provides key information that should help congressional appropriations committees to oversee the department's modernization projects and hold it accountable for project outcomes. However, understanding the extent to which HUD is following through on the cost, schedule, and performance goals set forth in the plan requires additional review. Toward this end, GAO has received congressional direction to evaluate HUD's implementation of project management practices such as contractor management and cost estimation for selected IT modernization projects. This work should provide more specific insight regarding HUD's overall management of its modernization projects and determine the extent to which project benefits are being achieved.

Project	Purpose
Electronic Grants Management	Reengineer processes and implement an automated system for managing grants
Place-Based Performance Management System	Provide business intelligence and geospatial tools for assessing progress toward achieving strategic goals
Federal Housing Administration Transformation	Implement a commercially available industry-standard financial infrastructure for housing insurance programs
HUD Integrated Acquisition Management System	Integrate an acquisition management system that is compliant with federal regulations
HUD Integrated Financial Management Improvement Project	Deploy a commercial off-the-shelf integrated financial management system to enable compliance with relevant financial management laws and regulations
Human Resources End-to-End	Integrate human resources systems and tools to allow for automated recruitment and hiring documentation
Next Generation Management System	Reengineer management processes to establish a technical infrastructure to integrate disparate systems

Source: GAO analysis of HUD data.

HUD reviewed a draft of this report and stated that the department's position had been adequately represented.