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INFORMATION TECHNOLOGY

HUD Needs to Improve Key Project Management Practices for Its Modernization Efforts

Why GAO Did This Study

HUD relies extensively on IT to carry out its mission of strengthening communities and ensuring affordable housing and has reported that efforts are under way to modernize its aging, duplicative, and poorly integrated systems. Committee report language mandated GAO to evaluate the implementation of project management practices for HUD's IT modernization efforts. The objective was to identify the extent to which the department implemented key project management practices for the FHA Transformation and NGMS modernization efforts. GAO assessed project management artifacts for 9 FHA Transformation and 5 NGMS projects in the areas of project planning (charters, work breakdown structures, and project management plans), requirements management (requirements management plans and traceability matrixes), and acquisition planning (acquisition strategies) against best practices. GAO also interviewed officials.

What GAO Recommends

GAO recommends that HUD establish a plan of action to fully implement best practices, provide needed project management expertise, and improve the development and use of its project management framework and governance structure. In written comments, HUD concurred with the recommendations to improve its framework and governance, but did not concur with the entirety of the recommendation to develop a plan of action, and contended that the need for project management expertise did not follow from the premises established in the draft report. GAO maintains that these actions are necessary as discussed in this report.

View GAO-13-455. For more information, contact Valerie C. Melvin at (202) 512-6304 or melvinv@gao.gov.

What GAO Found

The Department of Housing and Urban Development (HUD) has taken initial steps toward applying key project management practices in the areas of project planning, requirements management, and acquisition planning for its Federal Housing Administration Transformation (FHA Transformation) Initiative to address performance gaps in housing insurance programs and its Next Generation Management System (NGMS) to improve management of its affordable housing programs. However, HUD has not yet fully implemented any of these practices in executing and managing the information technology (IT) projects associated with these efforts. Specifically, while the department had developed project management artifacts such as charters and requirements management plans, none of these documents included all of the key details that could facilitate effective management of its projects such as full descriptions of the work necessary to complete the projects, cost and schedule baselines, or prioritized requirements, among other things. Department officials attributed these deficiencies to a lack of project management expertise. The table below summarizes GAO's assessment of key practices for these modernization efforts.

GAO Assessment of Key Project Management Practices, as of April 2013

Artifact	Description	FHA Transformation	NGMS
Project charter	Formally authorizes a project and identifies high-level information	◑	◑
Work breakdown structure	Defines the necessary work and provides a basis for cost and schedule estimates	○	◑
Project management plan	Primary source for how to execute project objectives and measure progress	◑	◑
Requirements management plan	Outlines processes and methods for developing and managing requirements	◑	◑
Requirements traceability matrix	Provides the ability to follow a requirement from origin to implementation	◑	◑
Acquisition strategy	Describes how the project will manage contracts in coordination with other processes.	◑	◑

Source: GAO analysis of HUD data.

Key: ●: Artifact developed and contained essential information. ◑: Artifact developed but lacked essential information. ○: Artifact not yet developed.

Because HUD has not taken these foundational steps to fully define its modernization efforts, the department is not well positioned to successfully manage or execute the associated projects. These incomplete documents limit the department's ability to fully understand the work to be completed or accurately report project progress. A major reason for these information deficiencies is HUD's inadequate development and use of its project management framework, which did not ensure the quality or completeness of artifacts developed. Specifically, the framework did not always include essential guidance and, in other cases, the projects did not always implement the guidance provided. Further, the governance structure did not consistently operate as intended to provide adequate oversight to ensure compliance with key project management practices. As a result, the department increases the risk of continuing to inadequately apply project management practices and may not be positioned to effectively manage or report progress of its key modernization efforts. Fully implementing effective project management practices is critical for the success of these two modernization efforts and others under way or planned.

_____ **United States Government Accountability Office**