

GAO Highlights

Highlights of [GAO-13-796T](#), a testimony before the Subcommittee on Government Operations, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

The federal government reportedly plans to spend at least \$82 billion on IT in fiscal year 2014. Given the scale of such planned outlays and the criticality of many of these systems to the health, economy, and security of the nation, it is important that OMB and federal agencies provide appropriate oversight and adequate transparency into these programs. Nevertheless, IT projects too frequently incur cost overruns and schedule slippages, and result in duplicate systems while contributing little to mission-related outcomes. Additionally, projects sometimes fail or operate inefficiently, at the cost of billions of dollars.

GAO was asked to testify on the results and recommendations from its selected reports that focused on key aspects of the federal government's management of IT investments. To prepare this statement, GAO drew on previously published work, as well as ongoing follow-up on prior recommendations.

What GAO Recommends

GAO has issued numerous recommendations to OMB and agencies on key aspects of IT management, including OMB's public website, known as the IT Dashboard, which provides detailed information on federal agencies' major investments; reviews of underperforming projects, known as TechStats; and efforts to consolidate federal data centers.

View [GAO-13-796T](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.

July 2013

INFORMATION TECHNOLOGY

OMB and Agencies Need to More Effectively Implement Major Initiatives to Save Billions of Dollars

What GAO Found

GAO has issued a number of key reports on the federal government's efforts to efficiently acquire and manage information technology (IT). While the Office of Management and Budget (OMB) and federal agencies have taken steps to address underperforming IT projects and more effectively manage IT through a number of major initiatives, additional actions are needed. For example, OMB has taken significant steps to enhance the oversight accountability of federal investments by creating the IT Dashboard, an OMB public website which provides detailed information on federal agencies' major investments. However, GAO previously found there were issues with the accuracy and reliability of cost and schedule data in the Dashboard and recommended steps that OMB and agencies should take to improve these data—this is important since the Dashboard currently reports 154 investments totaling almost \$10.4 billion being at risk. OMB agreed with the recommendations.

GAO recently reported that OMB and selected agencies have held multiple reviews—known as TechStats—of selected investments that are failing or are not producing results. Positive outcomes have been tracked and reported from these reviews, with most producing improved governance, as well as projects with accelerated delivery, reduced scope, and termination. However, for the selected agencies, GAO found that the number of at-risk TechStats held to date was only about 33 percent of the current number of medium- and high-risk investments. GAO was also unable to validate OMB's reported results of almost \$4 billion in life-cycle cost savings. GAO therefore recommended that OMB validate the resulting cost savings and require agencies to conduct TechStats for each investment rated with a moderately high- or high-risk rating on the IT Dashboard. OMB generally agreed with the recommendations.

GAO has also issued several reports on the federal government's progress towards consolidating its growing number of data centers. Most recently, in April 2013, GAO reported that agencies closed 420 data centers by the end of December 2012; however, OMB had not tracked and reported on other key performance measures, such as progress against the initiative's cost savings goal of \$3 billion by the end of 2015. In addition, GAO identified weaknesses that existed in the oversight of the data center consolidation initiative, including not ensuring the completeness of agencies' data center inventories and consolidation plans. GAO recommended that OMB track and report on key performance measures and improve the execution of important oversight responsibilities. OMB agreed with these recommendations.

In March 2012, OMB launched PortfolioStat, which requires agencies to conduct annual reviews of its IT investments and make decisions on eliminating duplication, among other things. OMB believes this effort has the potential to save \$2.5 billion over the next 3 years. OMB has since made significant changes to PortfolioStat in March 2013, including integrating it with its data center consolidation initiative and establishing new reporting requirements. However, GAO recently reported that OMB had not yet established revised data center metrics and goals for the combined initiative. GAO has ongoing work looking at PortfolioStat, including determining whether agencies are completing key actions.