

GAO Highlights

Highlights of [GAO-14-361](#), a report to the Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

Federal agencies plan to spend at least \$82 billion on IT in fiscal year 2014. However, prior IT expenditures have often produced disappointing results. Thus, OMB has called for agencies to deliver investments in smaller parts or increments. In 2010, it called for IT investments to deliver capabilities every 12 months and now requires investments to deliver capabilities every 6 months. GAO was asked to review agencies' incremental development approaches. Among other things, this report (1) assesses whether selected agencies have established policies for incremental IT development; and (2) determines whether selected agencies are using incremental development approaches to manage their IT investments. To do so, GAO selected five agencies—Defense, HHS, DHS, Transportation, and VA—and 89 total investments at these agencies. GAO then reviewed the agencies' incremental development policies and plans.

What GAO Recommends

Among other things, GAO recommends that OMB develop and issue realistic and clear guidance on incremental development and that the selected agencies update and implement their incremental development policies to reflect OMB's guidance. OMB partially disagreed, believing its guidance is realistic. Four agencies generally agreed with the report or had no comments, and one agency did not agree that its recommendations should be dependent on OMB first taking action. GAO continues to believe that its recommendations are valid, as discussed in this report.

View [GAO-14-361](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.

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INFORMATION TECHNOLOGY

Agencies Need to Establish and Implement Incremental Development Policies

What GAO Found

All five agencies in GAO's review—the Departments of Defense (Defense), Health and Human Services (HHS), Homeland Security (DHS), Transportation (Transportation), and Veterans Affairs (VA)—have established policies that address incremental development; however, the policies usually did not fully address three key components for implementing the Office of Management and Budget's (OMB) guidance (see table). Specifically, only VA fully addressed the three components. Among other things, agencies cited the following reasons that contributed to these weaknesses: (1) the guidance was not feasible because not all types of investments should deliver functionality in 6 months, and (2) the guidance did not identify what agencies' policies are to include or time frames for completion. GAO agrees these concerns have merit. Until OMB issues realistic and clear guidance and agencies address the weaknesses in their incremental development policies, it will be difficult to deliver project capability more rapidly.

Assessment of Selected Agencies' Incremental Development Policies

Component	Defense	HHS	DHS	Transportation	VA
Require delivery of functionality every 6 months	○	○	○	○	●
Define functionality	◐	○	○	○	●
Define a process for enforcing compliance	◐	◐	○	○	●

Key ●=Fully met ◐=Partially met ○=Not met

Source: GAO analysis of agency documentation.

The weaknesses in agency policies have enabled inconsistent implementation of incremental development approaches: almost three-quarters of the selected investments did not plan to deliver functionality every 6 months, and less than half planned to deliver functionality in 12-month cycles (see table). Without consistent use of incremental development approaches, information technology (IT) expenditures are more likely to continue producing disappointing results.

Number of Selected Investments Planning to Incrementally Deliver Functionality

Agency	Total number of selected investments	Investments planning to deliver functionality every 6 months	Investments planning to deliver functionality every 12 months
Defense	37	1	11
HHS	14	9	11
DHS	12	2	6
Transportation	20	5	7
VA	6	6	6
Totals	89	23	41

Source: GAO analysis of agency data.