

GAO Highlights

Highlights of [GAO-14-596T](#), a testimony before the Committee on Homeland Security and Governmental Affairs, U.S. Senate

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 transparency into these programs and avoid duplicative investments, whenever possible, to ensure the most efficient use of resources.

GAO has previously reported and testified that federal IT projects too frequently fail and incur cost overruns and schedule slippages while contributing little to mission-related outcomes. Numerous best practices and administration initiatives are available for agencies that can help them improve the oversight and management of IT acquisitions.

GAO is testifying today on the results and recommendations from selected reports that focused on how best practices and IT reform initiatives can help federal agencies better manage major acquisitions and legacy investments.

What GAO Recommends

GAO has previously made numerous recommendations to OMB and federal agencies on key aspects of IT management, including the IT Dashboard and efforts to consolidate federal data centers. Additionally, in its report being released today, GAO also recommended that agencies take actions to improve their incremental development approaches.

View [GAO-14-596T](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.

May 8, 2014

INFORMATION TECHNOLOGY

Implementing Best Practices and Reform Initiatives Can Help Improve the Management of Investments

What GAO Found

GAO recently reported on nine critical factors underlying successful major information technology (IT) acquisitions. Factors cited included (1) program officials were actively engaged with stakeholders and (2) prioritized requirements.

One key IT reform initiative undertaken by the Office of Management and Budget (OMB) is the IT Dashboard, which provides information, including ratings of risk, on 760 major investments at 27 federal agencies. As of April 2014, according to the Dashboard, 559 investments were low or moderately low risk, 159 were medium risk, and 42 were moderately high or high risk.

GAO has issued a series of reports on Dashboard accuracy and, in 2011, found that, while there were issues with the accuracy and reliability of cost and schedule data, the accuracy of these data had improved over time. However, a recent GAO report found that agencies had removed major investments from the Dashboard, representing a troubling trend toward decreased transparency. GAO also reported that, as of December 2013, the public version of the Dashboard was not updated for 15 of the previous 24 months. GAO made recommendations to ensure that the Dashboard includes all major IT investments and increase its availability. Agencies generally agreed with the report or had no comments.

An additional key reform initiated by OMB emphasizes incremental development in order to reduce investment risk. In 2010 it called for agency investments to deliver functionality every 12 months and since 2012 has required investments to deliver functionality every 6 months. However, in its report released today, GAO found that almost three-quarters of investments reviewed did not plan to deliver capabilities every 6 months and less than half planned to deliver capabilities in 12-month cycles. GAO recommended that OMB develop and issue clearer guidance on incremental development and that selected agencies update and implement their associated policies. Most agencies agreed with GAO recommendations, while others disagreed or had no comment. GAO continues to believe that its recommendations are valid.

In an effort to consolidate the number of federal data centers, OMB launched a consolidation initiative intended to close 40 percent of data centers by 2015, and in doing so, save \$3 billion. GAO reported that agencies planned to close 1,055 data centers by the end of fiscal year 2014, but also highlighted the need for continued oversight. Among other things, GAO recommended that OMB improve the execution of important oversight responsibilities, with which OMB agreed.

To better manage the government's existing IT systems, OMB launched the PortfolioStat initiative, which, among other things, requires agencies to conduct annual reviews of their IT investments and make decisions on eliminating duplication. GAO reported that agencies continued to identify duplicative spending as part of PortfolioStat and that this initiative has the potential to save at least \$5.8 billion by fiscal year 2015, but that weaknesses existed in agencies' implementation of the initiative's requirements. Among other things, GAO made several recommendations to improve agencies' implementation of PortfolioStat requirements. OMB partially agreed with these recommendations, and most of the other 20 agencies agreed to implement them.