

GAO Highlights

Highlights of [GAO-24-106313](#), a report to congressional committees

Why GAO Did This Study

The Marine Corps migrated to a new financial management system as part of a broader DOD effort to improve its financial management and achieve an unmodified (clean) audit opinion. Specifically, the Marine Corps has transitioned from its legacy accounting system to the Defense Agencies Initiative. As of February 2024, the Marine Corps and four smaller DOD components that use the system have achieved clean audit opinions.

This report was developed in connection with GAO's audit of the U.S. government's consolidated financial statements. It examines the extent to which (1) DOD used leading practices in estimating cost and schedule and in measuring migration progress and (2) the Marine Corps followed data migration and conversion and change management leading practices for its transition.

GAO reviewed key program management documentation on cost, schedule, and performance; data migration and conversion; and change management. GAO compared DOD's and the Marine Corps' efforts to relevant leading practices. GAO also interviewed DOD program officials.

What GAO Recommends

GAO is making 14 recommendations on cost, schedule, performance measures, data migration, and change management. DOD concurred with 13 of the 14; it concurred with comment on the remaining one. DOD added that, given its progress to date, selected recommendations could be consolidated, deleted, or closed. GAO maintains that each of the 14 recommendations is warranted.

View [GAO-24-106313](#). For more information, contact Asif A. Khan at (202) 512-9869 or khana@gao.gov or Vijay A. D'Souza at (202) 512-7650 or dsouzav@gao.gov.

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DOD FINANCIAL MANAGEMENT

Additional Steps Needed to Guide Future Systems Transitions

What GAO Found

The Department of Defense (DOD) used selected leading practices in estimating cost and schedule and in measuring progress of the Marine Corps' migration to an accounting system known as the Defense Agencies Initiative but did not implement all practices. For example, although DOD documented program costs, it did not include all Marine Corps' transition costs in its \$1.448 billion life cycle estimate. DOD also did not include all effort (e.g., work required) in its schedule estimate for the Marine Corps' transition to the Defense Agencies Initiative. Further, the Marine Corps did not fully develop performance metrics. Marine Corps officials stated that they followed standard procedures for DOD components transitioning to the Defense Agencies Initiative. However, those procedures do not call for components to include all costs in estimates, include all effort in schedule estimates, or establish comprehensive metrics. As a result, the Marine Corps underestimated the complexity and time required for its transition. The Marine Corps initially planned to move from a stabilization phase to normal operations by December 2021. However, it did not complete the stabilization phase and enter normal operations until February 2024.

Regarding data migration and conversion, the Marine Corps followed five leading practices and partially followed five others. For example, the Marine Corps developed a comprehensive conversion plan that included time frames, program scope, data for conversion, and system inputs and outputs, but did not develop plans for post-go-live data cleansing and quality activities (see table). For change management, the Marine Corps followed four practices and partially followed three others. For example, it communicated with stakeholders to manage commitment, but it did not directly assess stakeholder resistance to change.

GAO Assessment of the Marine Corps' Defense Agencies Initiative Data Migration and Conversion Efforts against Leading Practices for Relevant Phases

Phases and number of practices	GAO assessment
Pre-conversion phase (four practices)	●●●●
Cutover phase (four practices)	●●●●
Post-installation/operations phase (two practices)	●●

Legend: ● = Consistent: Marine Corps provided evidence that it satisfied all relevant criteria.
● = Partially consistent: Marine Corps provided evidence that it satisfied some, but not all, of the relevant criteria.

Source: GAO analysis of Marine Corps and Defense Finance and Accounting Service migration documentation. | GAO-24-106313

The Marine Corps followed the Defense Agencies Initiative established procedures for its data migration and conversion and change management efforts, but these procedures did not fully incorporate leading practices. Until DOD ensures that the Defense Agencies Initiative standard operating procedures fully incorporate leading practices, DOD components transitioning to the Defense Agencies Initiative risk experiencing understated costs, schedule delays, and limitations in understanding their progress toward achieving their goals. Additionally, DOD components transitioning to the Defense Agencies Initiative risk experiencing systems and processing disruptions and may miss opportunities to identify and address change management issues.