

Financial Management Systems: VA Should Improve Its Risk Response Plans

GAO-24-106858

Q&A Report to Congressional Committees

July 23, 2024

Why This Matters

The Department of Veterans Affairs (VA) is responsible for administering benefit programs for veterans, their families, and their survivors. These programs include those for pensions, education, disability compensation, home loans, life insurance, vocational rehabilitation, survivor support, medical care, and burial benefits.

VA's core Financial Management System is more than 30 years old and, according to VA, is extremely difficult to maintain, results in inefficient operations, requires complex manual work-arounds, and does not provide real-time integration between financial and acquisition information across VA. Two previous attempts to replace its legacy system beginning in 1998 failed after years of development and hundreds of millions of dollars in cost.

In 2016, VA established the Financial Management Business Transformation program (FMBT) to replace its aging financial and acquisition systems with one integrated system to meet financial management goals and comply with legislation and directives. VA's new integrated system is to allow VA to track and report how funds are used to deliver benefits, care, and services. As of April 2024, the targeted completion date is 2030. FMBT's October 2023 life cycle cost estimate shows total program costs are estimated at \$7.7 billion. This is an increase of approximately \$200 million over the 2022 estimate of \$7.5 billion.

We were asked to review the program's implementation of the integrated system. This report addresses key project management practices on collaborating with stakeholders on changes such as cost and schedule estimates, assessing user satisfaction and concerns, and managing program risks.

Key Takeaways

- The FMBT program has followed leading practices to collaborate with relevant internal and external stakeholders. However, program costs continue to rise and schedule delays continue to occur. VA could develop more reliable estimates by implementing two prior recommendations we made on cost and scheduling practices.
- The program has followed leading practices to assess user satisfaction and address user concerns. However, survey response rates are low. VA has an open recommendation we made related to customer satisfaction to help report whether user needs have been met and the program is meeting its goals.
- The program's risk management policies and procedures were generally consistent with leading practices. However, we found that it could develop more comprehensive risk response plans to help mitigate risks related to systems integration with other IT modernization projects. We recommend that VA ensure that responsible risk owners develop integration risk response plans that contain detailed and specific mitigation actions.

What is the new system?

The new system is the Integrated Financial and Acquisition Management System (iFAMS), an enterprise resource planning cloud solution. According to VA, iFAMS is a modern integrated financial and acquisition management solution with transformative business processes and capabilities that allows VA to meet its goals and objectives in compliance with financial management legislation and directives.

VA says implementing iFAMS will increase the transparency, accuracy, timeliness, and reliability of financial and acquisition information, helping to improve fiscal accountability and services. As of April 2024, VA has completed six incremental deployments: National Cemetery Administration (NCA); Veterans Benefits Administration (VBA), General Operating Expenses (GOE) Phase 1; VBA-GOE Phase 2; NCA, Enterprise Acquisition (EA); Office of Management plus additional Staff Offices (OM+); and Consolidated Wave Stack (CWS).¹

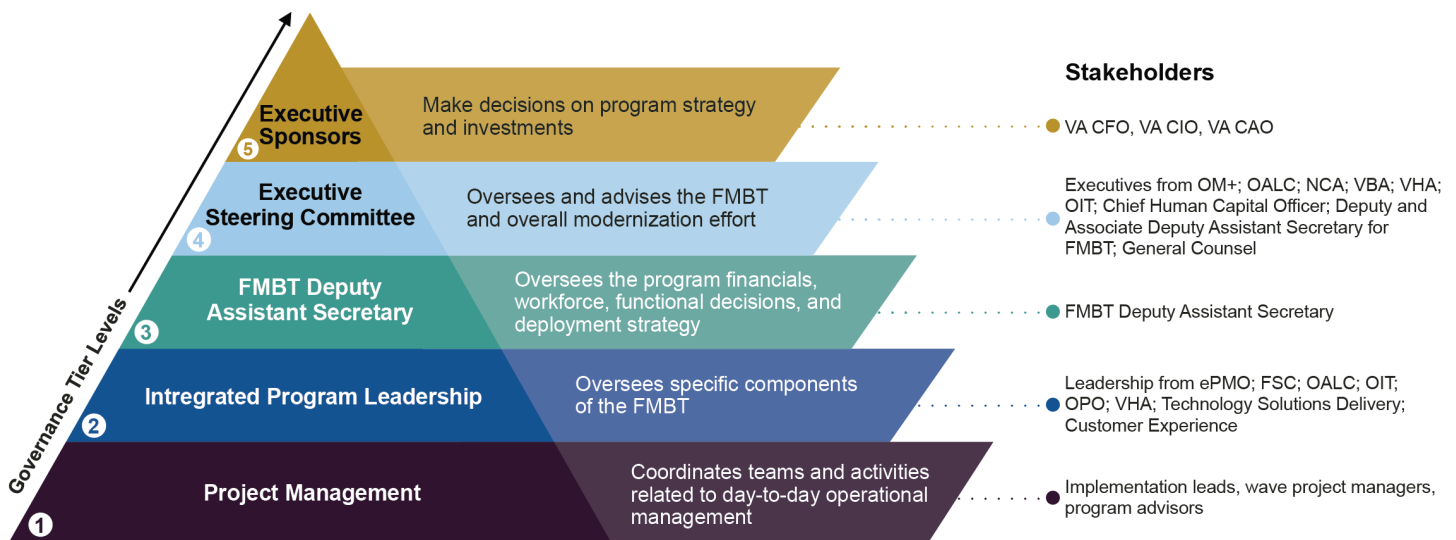
VA estimates that it will fully implement iFAMS by 2030. However, VA program leadership has not yet determined final implementation dates for multiple deployments at VBA and Veterans Health Administration (VHA) that affect its timeline.

What stakeholders are responsible for making program decisions?

Stakeholders include executive sponsors, a steering committee, the Deputy Assistant Secretary, project managers, and department and program leadership.

A governance plan defines the program’s decision-making process and stakeholder oversight responsibilities. The structure comprises five tiers, as shown in figure 1.

Figure 1: Financial Management Business Transformation (FMBT) Program Governance Structure



VA – Department of Veterans Affairs, CFO – Chief Financial Officer, CIO – Chief Information Officer, CAO – Chief Acquisition Officer

OM+ – Office of Management plus Staff Offices, OALC – Office of Acquisition, Logistics, and Construction, NCA – National Cemetery Administration, VBA – Veterans Benefits Administration, VHA – Veterans Health Administration, OIT – Office of Information and Technology

ePMO – Enterprise Program Management Office, FSC – Financial Services Center, OALC – Office of Acquisition, Logistics, and Construction, OIT – Office of Information and Technology, OPO – Organizational Performance Office

Source: FMBT’s governance charter, governance plan, and executive steering charter. | GAO-24-106858

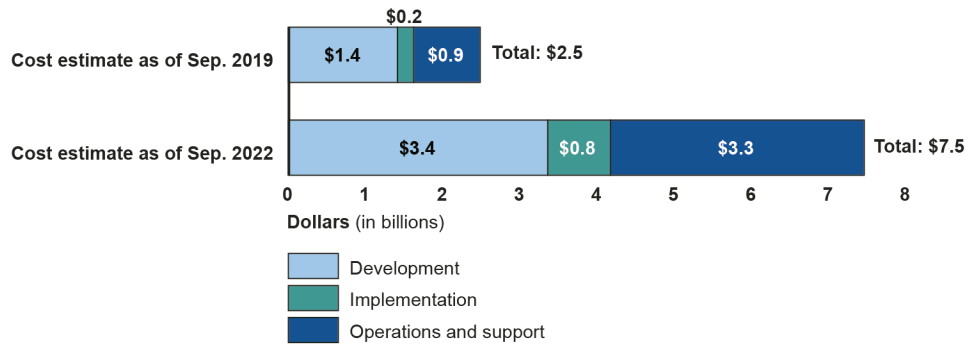
Stakeholders escalate issues affecting program scope, strategy, cost, and schedule through the five governance tiers for decisions. VA designed the governance structure to encourage decision-making at the lowest levels. This allows project managers to independently operate on a day-to-day basis and escalate decisions to the next tier when necessary.

A decision log captures major program decisions to provide accountability and traceability. To date, the log contains more than 500 decisions, including those that the Executive Steering Committee, Deputy Assistant Secretary, and Integrated Program Leadership made. These decisions cover multiple topics, such as program costs, schedule, scope, and strategy. For example, challenges with the Supply Chain Modernization (SCM) acquisition schedule affected FMBT's planned implementation strategy and schedule. As a result, the program's Executive Sponsors issued a decision memorandum to use out-of-the-box capabilities of iFAMS where possible and interface with legacy supply chain systems when necessary.

Has the iFAMS implementation estimated cost changed?

Yes. Total estimated iFAMS implementation costs increased from \$2.5 billion for its 2019 life cycle cost estimate to \$7.5 billion for its 2022 life cycle cost estimate. Nearly half the cost increase from 2019 to 2022 is due to including 18 years of additional operations and support costs for the full iFAMS projected useful life.² Figure 2 shows the change in total estimated costs from the 2019 to 2022 cost estimates.

Figure 2: Comparison of 2019 and 2022 Financial Management Business Transformation (FMBT) Program Life Cycle Cost Estimates



Source: FMBT's 2019 and 2022 life cycle cost estimates. | GAO-24-106858

Note: The 2019 program cost estimate includes 3 years of actual costs beginning in 2016 and 11 years of estimated costs through 2029. The 2022 program cost estimate includes an additional 18 years to cover all operations and support costs for the system's projected useful life through 2047.

Development costs. Estimated development costs increased approximately \$1.9 billion. According to program officials, factors that drove this increase included additional support needed for system testing and quality assurance, enhancement of iFAMS business intelligence reporting to satisfy user requirements, and an increase in the number of iFAMS system interfaces.³

Implementation costs. Estimated implementation costs increased more than \$600 million. According to program officials, factors that drove this increase included additional enterprise migration costs, which are activities to support iFAMS implementation. In response to user feedback, program leadership increased systems testing, provided more frequent training, and expanded training topics for users. Program officials stated that they had underestimated the unique challenges of each deployment, preventing the program from becoming more efficient over time.

Operations and support costs. Estimated operations and support costs from 2019 to 2022 increased approximately \$2.4 billion to \$3.3 billion. The program's 2019 cost estimate covered 14 years and did not include costs to maintain and support iFAMS throughout its entire useful life. In 2022, program officials expanded the cost estimate to cover 32 years and represent iFAMS's projected useful life. The program's cost estimate now extends through the end of fiscal year 2047.

After our detailed analysis of the 2019 and 2022 cost estimates, the program's October 2023 cost estimate increased by approximately \$200 million over the 2022 estimate to \$7.7 billion. According to program officials, two large factors that drove this increase were additional projected contract costs for its business intelligence reporting tool and increases in current contract cost for program deployments.

We previously recommended that the FMBT Deputy Assistant Secretary take steps to help ensure that FMBT develops a reliable cost estimate using best practices described in GAO's *Cost Estimating and Assessment Guide*, by addressing those cost characteristics that were partially or minimally met.⁴ FMBT concurred with this recommendation and is taking actions to address it. However, it is not yet fully implemented; we will continue to follow up on this recommendation.

Has the iFAMS implementation schedule changed?

Yes. In 2020, program officials estimated iFAMS would be fully implemented by 2028. As of April 2024, the program estimates iFAMS will be fully implemented by 2030. However, FMBT does not have targeted implementation dates for key VBA, VHA, and Enterprise Acquisition deployments. It has delayed go-live dates for several deployments with some delays of more than three years. Additional deployments are likely to be delayed going forward due to changes to requirements and schedule delays to integrate iFAMS with VA's other IT modernization efforts.

We noted the following schedule changes between FMBT's 2020 and 2024 implementation road maps:

- NCA Enterprise Acquisition and Consolidated Wave Stack deployments were delayed approximately 4 months.
- VBA Loan Guaranty deployment was delayed approximately 3 years.
- VBA Insurance and Enterprise Acquisition, Compensation and Pension, and Education deployments were previously scheduled to go-live in 2024 and 2025 respectively. However, these deployments are now "to be determined."
- FMBT planned 11 VHA deployments to go-live by 2028. However, the number of deployments and their go-live dates are now "to be determined."
- FMBT reconfigured a series of deployments called Enterprise Acquisition, which relate to the acquisition of goods or services across VBA and VHA. The number of deployments and their go-live dates are now "to be determined."

FMBT's longest schedule delay is currently about 3 years for the VBA Loan Guaranty deployment. According to program officials, this is due to complex accounting requirements, longer development timelines from interface partners, delays caused by competing priorities, availability of stakeholders, and discovery of functional requirement gaps. Functional requirement gaps included interface issues, users' inability to obtain certain financial information associated with loans, and multiple business intelligence reporting problems related to loan data.

FMBT's targeted completion date is 2030. However, this date is questionable since multiple deployments depend on other currently paused or delayed VA IT modernization efforts, such as Electronic Health Record Modernization (EHRM) and SCM. In addition, FMBT has not identified go-live dates for multiple deployments related to VBA, VHA, and Enterprise Acquisition.

We have previously recommended that the FMBT Deputy Assistant Secretary take steps to help ensure that FMBT develops a reliable schedule using best practices described in GAO's *Schedule Assessment Guide*, by addressing those

schedule characteristics that were partially or minimally met.⁵ FMBT concurred with this recommendation and is taking actions to address it. However, it is not yet fully implemented; we will continue to follow up on this recommendation.

Did FMBT collaborate with stakeholders on schedule delays or cost increases?

Yes. FMBT documented and followed its collaboration approach consistent with leading practices (see table 1).⁶ Collaboration leading practices can help a program avoid unnecessary delays and find innovative solutions to shared problems.

Table 1: Evaluation of Financial Management Business Transformation Program (FMBT) Efforts against Collaboration Leading Practices

Leading practice	GAO assessment
Define common outcomes	Consistent
Ensure accountability	Consistent
Bridge organizational cultures	Consistent
Identify and sustain leadership	Consistent
Clarify roles and responsibilities	Consistent
Include relevant participants	Consistent
Leverage resources and information	Consistent
Develop and update written guidance and agreements	Consistent

Legend: Consistent = The Department of Veterans Affairs (VA) provided evidence that satisfies the entire criterion. Partially consistent = VA provided evidence that satisfies some but not all of the criterion. Not consistent = VA provided no evidence that satisfies the criterion.

Source: GAO analysis of FMBT's documentation and collaboration efforts. | GAO-24-106858

FMBT has established a clear governance structure that identifies leadership, includes relevant stakeholders across VA, clarifies roles and responsibilities, and helps to ensure accountability. Additionally, the program has a communications plan to bridge organizational cultures and share relevant information among stakeholders. Our review of large changes in estimated program costs (i.e., over \$40 million) and schedule delays (i.e., more than 100 days) found that FMBT collaborated with appropriate stakeholders in a manner consistent with its governance procedures and communication plans.

Did FMBT assess whether iFAMS is meeting user needs?

Yes. FMBT has documented and followed its management approach to assessing user satisfaction with iFAMS consistent with performance management leading practices (see table 2).⁷

Table 2: Evaluation of Financial Management Business Transformation Program (FMBT) Efforts against Performance Management Leading Practices

Leading practice	GAO assessment of VA meeting user needs	GAO assessment of VA resolving user concerns
Developed an evidence-based implementation plan	Consistent	Consistent
Ensured evidence met quality standards	Consistent	Consistent
Conducted data-driven reviews	Consistent	Consistent
Used evidence to inform management decisions	Consistent	Consistent
Communicated learning and results	Consistent	Consistent

Legend: Consistent = The Department of Veterans Affairs (VA) provided evidence that satisfies the entire criterion. Partially consistent = VA provided evidence that satisfies some but not all of the criterion. Not consistent = VA provided no evidence that satisfies the criterion.

Source: GAO analysis of FMBT documentation. | GAO-24-106858

After each iFAMS deployment, FMBT conducted quarterly customer experience surveys to assess user satisfaction.⁸ Program officials briefed its executive leadership and the Financial Services Center on customer experience survey results after each deployment. These briefings outlined customer experience results over time, summarized user comments, and identified action items.

FMBT's customer experience survey user responses across all deployments were mixed in sentiment. User responses for each deployment were generally more negative at the beginning of an iFAMS implementation and improved over time. We found that survey response rates were generally below 20 percent of the total population of users. This low response rate reduces confidence that the customer experience survey results are fully representative of the user population. For example, the OM+ deployment had a target survey response rate of 38 percent, but only 8 percent of users responded. FMBT said that it has taken further actions as of December 2023 to improve its response rate.

We have previously recommended that the FMBT Deputy Assistant Secretary should establish target values for operational and customer experience metrics.⁹ Subsequent to our fieldwork, VA submitted documentation showing that it had established targets for operational and customer experience metrics. We plan to review program documentation to determine whether this recommendation has been implemented.

Did FMBT identify and resolve user concerns?

Yes. FMBT documented and followed its management approach to identify and resolve user concerns consistent with performance management leading practices (see table 2 above).¹⁰

The program used multiple approaches to identify and resolve user concerns, which included analyzing customer experience surveys, reviewing help desk ticket trends, and talking to users directly through site visits. Some examples of FMBT identifying and resolving user concerns include implementing additional training related to users' concerns, improving iFAMS business intelligence reporting capabilities, and simplifying and enhancing certain data-entry screens.

To analyze customer experience surveys, FMBT reviewed user comments and identified common themes (e.g., training, usability, capability). The program sent specific user concerns and recurring themes to relevant stakeholders to elicit their comments and to address them.

FMBT reviewed help desk tickets during a 3-month period after it implemented iFAMS for new users, conducted weekly briefings to identify key trends in help desk tickets, and tracked iFAMS rejection rates by document types. FMBT's Continuous Improvement Initiative also reviewed help desk key trends and customer experience survey results and conducted site visits with users to understand pain points and identify user concerns.

After each deployment, FMBT conducted a lessons-learned session to assess what went well, what went wrong, and what it can improve, which can help FMBT in preventing issues that could affect future deployments. These approaches demonstrate that the program has processes in place to resolve current user concerns and identify issues that could affect future deployments.

Did FMBT's approach for identifying and addressing risks follow leading practices?

Yes. We found that FMBT's approach to identify and address program risks was consistent with leading practices (see table 3).¹¹

Table 3: Evaluation of the Financial Management Business Transformation Program's (FMBT) Risk Management Process

Area of leading practices	GAO assessment
Risk management strategy	Consistent
Program risk monitoring	Consistent
Program risk and issue governance	Consistent

Legend: Consistent = The Department of Veterans Affairs (VA) provided evidence that satisfies the entire criterion. Partially consistent = VA provided evidence that satisfies some but not all of the criterion. Not consistent = VA provided no evidence that satisfies the criterion.

Source: GAO analysis of FMBT's approach to identifying and addressing relevant risks related to the Integrated Financial Acquisition Management Systems integration. | GAO-24-106858

Specifically, we found the following for each area of risk management leading practices:

Risk management strategy. FMBT has documented a risk management strategy consistent with leading practices. The risk management strategy includes qualitative and quantitative definitions of risk ratings and specifies four risk response strategies based on the risk's effect and probability ratings.

Program risk monitoring. FMBT used a risk register to accept, prioritize, and document responses to risks. Program policies define risk management roles, including the risk owner, who is accountable for the risk and its effects, including implementing and acting on risk response and mitigation plans. If existing mitigation steps are not effective, or if there are other requirements such as additional resources required to manage the risk, the risk owner escalates the risk for further action. The program holds regular risk management meetings and review activities to discuss the current state of the risks.

Program risk and issue governance. FMBT defined four risk tiers that include guidance for escalating risks and issues.¹² FMBT's Risk Review Board holds monthly meetings with deployment leads, risk owners, risk coordinators, and necessary action item owners to discuss the status of risks and issues that it decides need attention. In addition, the Integrated Risk Management Framework includes risk management communications activities, focused on educating program staff, leadership, and contract support on risk management principles.

Are there risks or issues affecting iFAMS's integration with other IT systems?

Yes. We identified 11 risks and two issues on FMBT management's risk register about iFAMS integration with the EHRM, SCM, and Veterans Benefits Management System (VBMS) systems.¹³ Modernization projects implementing these systems introduce risks that could negatively affect the iFAMS implementation schedule, as discussed below.

EHRM. The purpose of EHRM is to connect VA medical facilities with the Department of Defense, Coast Guard, and participating community care providers, allowing clinicians to easily access a veteran's full medical history from one source. As of April 2024, VA had paused its EHRM implementation. Consequently, iFAMS VHA deployments could face possible schedule and resource delays due to their required integration with EHRM.

SCM. VA's SCM project aims to provide an easy-to-use cloud-based platform to manage the flow of goods, services, and information internally between agency personnel and externally between personnel and customers. As of April 2024, VA had not selected a contractor to implement this project. Because of the integration needed between iFAMS and the modernized supply chain management system, iFAMS VHA deployments are at risk of cost increases and

schedule delays, resulting in continued use of legacy supply chain management systems.

VBMS. VBMS is an electronic work environment designed for processing compensation and pension claims and will connect with iFAMS through VA's Enterprise Management of Payments, Workload, and Reporting system. As of April 2024, VA had transitioned VBMS to cloud computing, except for its primary data repository.

Did FMBT's risk response plans fully address integration risks?

No. While FMBT has taken steps to address identified integration risks, we found that the program has not fully documented its risk response plans. Specifically, our analysis found that FMBT's risk response plans did not include specific, detailed actions for 11 of the 13 risks and issues related to iFAMS integration with EHRM, SCM, and VBMS. For example, FMBT's risk response plan for the SCM effort stated that "FMBT will continue working closely with Office of Enterprise Supply Chain Modernization to monitor the status of the new Supply Chain solution," but described no additional risk response steps in the risk register.

The responsible risk owner for each identified risk did not create response plans in the program's risk register that include specific, detailed actions to manage the identified risk.

The Project Management Institute's *Standard for Program Management* states that in response to risks, the program manager identifies and directs actions to mitigate the negative consequences or to enable realization of potential benefits.¹⁴ This includes updating the program risk register with specific actions to implement the chosen response strategy. Additionally, the *VA Enterprise Risk Management Handbook* states that a risk response plan should include specific, detailed actions to manage a risk.

Integration risk response plans that do not include detailed, specific actions increase the risk that a program will not timely identify and take appropriate action to mitigate its identified risks and exposes the program to potential delays and additional costs.

Conclusions

VA followed most leading practices in coordinating with stakeholders, assessing user satisfaction, resolving user concerns, and addressing relevant financial management risks. User satisfaction has improved over time; however, survey response rates are low, so survey results may not be fully representative of the user population. Further, integration risk response plans remain underdeveloped, missing necessary detailed and specific mitigation actions, which could result in potential delays and additional costs.

We reiterate our prior recommendations that VA should take steps to establish (1) reliable cost and schedule estimates and (2) target values for customer experience metrics. By implementing these recommendations, VA could provide greater assurance of reliable cost and schedule estimates and improved user satisfaction.

Recommendation for Executive Action

The VA Secretary should direct the FMBT Deputy Assistant Secretary to work with the Office of Enterprise Integration to ensure that responsible risk owners develop integration risk response plans that contain detailed and specific mitigation actions. (Recommendation 1)

Agency Comments

We provided a draft of this report to VA for review and comment. In written comments, reproduced in appendix I, the department concurred with our recommendation and described actions it will take to address the issue with integration risks we identified. Those actions, if the department implements them as described, should address our recommendation.

How GAO Did This Study

To describe the governance and oversight structure, we reviewed FMBT's governance charters, governance plans, program plans, and communication plans.

To assess FMBT's coordination activities, we examined program documentation, such as program cost estimates, implementation schedules, system performance metrics, governance charters, communication plans, and executive steering committee meeting minutes. We compared FMBT's collaboration and coordination activities with leading practices.¹⁵ We compared the 2019 and 2022 FMBT life cycle cost estimates and selected large changes in FMBT's estimated program costs (i.e., over \$40 million). We also compared FMBT's 2020 and 2023 road maps and selected delays in its implementation schedule (i.e., more than 100 days). We requested supporting documentation, interviewed FMBT officials, and reviewed whether FMBT's governance procedures were followed to approve these changes. We performed a high-level comparison of FMBT's 2023 life cycle cost estimate to its 2022 life cycle cost estimate since it was not available at the time of our original detailed analysis.

To determine the extent to which FMBT assessed user experience and satisfaction, we examined program documentation, such as strategic plans, customer experience data capture plans, customer support plans, and customer experience metrics. We compared FMBT's policies and procedures with leading practices, interviewed FMBT officials, and reviewed whether FMBT's customer experience survey results are reliable for our purposes.¹⁶

To determine the extent to which FMBT identified and resolved user concerns, we examined program documentation, such as strategic plans, customer experience data capture plans, customer support plans, customer experience metrics, continuous improvement plans, and help desk metrics. We compared FMBT's policies and procedures with leading practices.¹⁷ We reviewed FMBT's analysis of user comments and help desk trends. Additionally, we selected potential user comments for further review based on their frequency across multiple deployments, interviewed FMBT officials, and reviewed examples of how FMBT addressed those potential user concerns.

To assess management of IT modernization risks, we examined program documentation, such as risk management policies and procedures, risk logs, and minutes from risk meetings. The control activities component of internal control was significant to this objective, along with the related principle that management should design control activities to achieve objectives and respond to risks. We compared FMBT's policies and procedures with leading practices.¹⁸ We performed a key word search on FMBT's risk register to identify risks and issues related to EHRM, SCM, and VBMS and confirmed the list of risks and issues with FMBT. We reviewed the selected risks and issues, interviewed FMBT officials, and determined whether FMBT followed its risk management policies and procedures.

We conducted this performance audit from June 2023 to July 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to

provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

List of Addressees

The Honorable Jon Tester
Chairman
The Honorable Jerry Moran
Ranking Member
Committee on Veterans' Affairs
United States Senate

The Honorable Mike Bost
Chairman
The Honorable Mark Takano
Ranking Member
Committee on Veterans' Affairs
House of Representatives

We are sending copies of this report to the appropriate congressional committees, the Secretary of Veterans Affairs, and other interested parties. In addition, the report will be available at no charge on the GAO website at <https://www.gao.gov>.

GAO Contact Information

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Appendix I: Comments
from Department of
Veterans Affairs



DEPARTMENT OF VETERANS AFFAIRS
WASHINGTON

July 5, 2024

Ms. Paula M. Rascona
Director
Financial Management and Assurance
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Rascona:

The Department of Veterans Affairs (VA) reviewed the Government Accountability Office (GAO) draft report: **Financial Management Systems: VA Should Improve Its Risk Response Plans** (GAO-24-106858).

The action plan to implement the draft report recommendation is enclosed. VA appreciates the opportunity to comment on the draft report.

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberly Jackson".

Kimberly Jackson
Chief of Staff

Enclosure

Department of Veterans Affairs (VA) Response to
Government Accountability Office (GAO) Draft Report
Financial Management Systems: VA Should Improve Its Risk Response Plans
(GAO-24-106858)

Recommendation 1: The VA Secretary should direct the FMBT Deputy Assistant Secretary to work with the Office of Enterprise Integration to ensure responsible risk owners develop integration risk response plans that contain detailed and specific mitigation actions.

VA Response: Concur. The Financial Management Business Transformation program (FMBT) will work with the Office of Enterprise Integration (OEI) to ensure that responsible risk owners from FMBT and other VA major modernization efforts develop risk response plans to address integration risks identified within the program. FMBT will also work with OEI to collect risks that other VA modernizations have identified and assess their potential impact to FMBT. The integration risk response plans will include specific, detailed actions to manage each risk.

To support OEI in their effort to ensure coordination with the other VA modernization initiatives, FMBT will provide program feedback to OEI regarding risks and issues that may be interrelated across VA-wide modernization efforts when requested or when identified by FMBT. This will ensure that integration risks and issues can be escalated properly, mitigations can be tracked, and milestones can be monitored to reduce potential delays to all VA modernizations and ultimately reduce costs.

Endnotes

¹An incremental deployment is a deployment of iFAMS to specific administrations and staff offices within VA.

²FMBT's 2019 life cycle cost estimate included estimates for 11 years through 2029. FMBT's 2022 life cycle cost estimate added 18 additional years of estimates through 2047.

³From fiscal year 2021 to fiscal year 2022 the number of systems identified to interface with iFAMS increased from 22 to 35.

⁴GAO, *Veterans Affairs: Ongoing Financial Management System Modernization Program Would Benefit from Improved Cost and Schedule Estimating*, [GAO-21-227](#) (Washington, D.C.: Mar. 24, 2021). We analyzed FMBT's cost estimate and determined that the estimate was not reliable because it did not fully or substantially meet four characteristics of a reliable cost estimate: comprehensive, well-documented, accurate, and credible. A comprehensive cost estimate should include all life cycle costs. The cost estimate should include both government and contractor costs of the program over its full life cycle, from inception of the program through development, production, operations and maintenance, and disposal of the program.

⁵[GAO-21-227](#).

⁶GAO, *Government Performance Management: Leading Practices to Enhance Interagency Collaboration and Address Crosscutting Challenges*, [GAO-23-105520](#) (Washington, D.C.: May 24, 2023).

⁷GAO, *Evidence-Based Policymaking: Practices to Help Manage and Assess the Results of Federal Efforts*, [GAO-23-105460](#) (Washington, D.C.: July 12, 2023). We used five leading practices from *Evidence-Based Policymaking*: (1) develop an evidence-based implementation plan, (2) evidence meets quality standards, (3) conducts data-driven reviews, (4) evidence used to inform management decisions, and (5) communicates learning and results. The results of our analysis found FMBT to be consistent with all five leading practices.

⁸The five prompts FMBT asks users to address in its customer experience surveys are as follows: (1) Ease of Use: How easy is iFAMS to use? (2) Operational Needs: I am able to use iFAMS in a manner that is effective to my daily tasks. (3) Managing Funds: I am able to manage allocated funds efficiently within iFAMS. (4) Business Intelligence: How would you rate your experience with financial reporting capabilities in iFAMS? (5) Annual Close: How satisfied are you with the annual close process in iFAMS?

⁹GAO, *VA Financial Management System: Additional Actions Needed to Help Ensure Success of Future Deployments*, [GAO-22-105059](#) (Washington, D.C.: Mar. 24, 2022). We recommended that the FMBT Deputy Assistant Secretary establish target values for operational and customer experience metrics to allow the program to measure progress over time.

¹⁰[GAO-23-105460](#).

¹¹Project Management Institute, Inc., *The Standard for Program Management – Fourth Edition* (2017).

¹²According to VA, a risk is the potential for loss, harm, or missed opportunities in achieving the organization's mission and strategic objectives due to uncertainty. An issue is an existing event or condition that is impeding performance and may be the result from a realized risk.

¹³We do not describe or list in this report the 11 risks and two issues we selected and reviewed. Rather, we summarized the status and effect the risks and issues related to the EHRM, SCM, and VBMS projects may have on the FMBT program.

¹⁴Project Management Institute, Inc., *The Standard for Program Management*.

¹⁵[GAO-23-105520](#). We used the following scale to evaluate whether FMBT met leading practices: Consistent = VA provided evidence that satisfies the entire criterion. Partially consistent = VA provided evidence that satisfies some but not all of the criterion. Not consistent = VA provided no evidence that satisfies the criterion.

¹⁶[GAO-23-105460](#).

¹⁷[GAO-23-105460](#). We used the following scale to evaluate whether FMBT met leading practices: Consistent = VA provided evidence that satisfies the entire criterion. Partially consistent = VA provided evidence that satisfies some but not all of the criterion. Not consistent = VA provided no evidence that satisfies the criterion.

¹⁸Project Management Institute, Inc., *The Standard for Program Management*. We used the following scale to evaluate whether FMBT met leading practices: Consistent = VA provided evidence that satisfies the entire criterion. Partially consistent = VA provided evidence that satisfies some but not all of the criterion. Not consistent = VA provided no evidence that satisfies the criterion.