

GAO Highlights

Highlights of [GAO-25-107963](#), a testimony before the Subcommittee on Technology Modernization, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

VA depends on critical IT systems to manage benefits and provide care to millions of veterans and their families. The department's investment in IT is substantial—VA obligated about \$21 billion in fiscal years 2022 through 2024 for a range of IT products, systems, and services.

Due in part to its IT challenges, in 2015, GAO added VA health care to its High-Risk List and in 2019 added VA acquisition management. GAO has conducted numerous reviews of VA IT management. GAO has also reported on critical factors leading to successful IT acquisitions.

GAO was asked to testify on (1) VA's acquisition and management of IT and (2) critical factors leading to successful IT acquisitions. GAO summarized its recent reports on VA IT issues. It also followed up on the status of the implementation of relevant recommendations. In addition, GAO summarized its prior report on critical success factors.

What GAO Recommends

GAO has made a total of 20 recommendations in recent reports to improve VA's IT acquisitions and management. These recommendations address health care and financial management systems, IT governance, and IT procurement. VA agreed with all 20 recommendations but has not yet implemented them.

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VETERANS AFFAIRS

Action Needed to Address Continuing IT Management Challenges

What GAO Found

GAO has previously reported on the challenges and setbacks that the Department of Veterans Affairs (VA) has experienced in acquiring major IT systems.

- After three unsuccessful attempts between 2001 and 2018, the department undertook a fourth effort—the Electronic Health Record Modernization program—to modernize its legacy health information system. In 2020, VA began implementing this new system. However, in 2023, VA announced it was halting further deployments and instead was prioritizing making improvements at the five sites using the system. VA's surveys had shown that users were dissatisfied with the system. Specifically, about 79 percent (1,640 of 2,066) of users disagreed that the system enabled quality care. In its 2023 report, GAO made 10 recommendations to VA in areas such as user satisfaction, system trouble reports, and change management. VA concurred with all 10 recommendations but has yet to implement them.
- In 2016, VA established its Financial Management Business Transformation initiative, its third attempt to replace aging financial and acquisition systems with one integrated system. In 2021, GAO reported that full implementation of the new system was not expected until 2027 at a 10-year life cycle cost of \$2.98 billion. As GAO reported in July 2024, full implementation was moved to 2030 and estimated life cycle costs were escalated to \$7.7 billion. GAO's 2021 and 2024 reports made a total of three recommendations to VA on cost and schedule estimating and its efforts to manage risks. VA has not yet implemented these recommendations.

GAO has also made numerous recommendations on VA's IT governance, software licenses, and cloud computing. However, none of these have been implemented yet. Implementation is pivotal to remedying VA's weaknesses.

To help agencies deliver results with their IT initiatives, GAO previously reported on the critical factors that led to successful IT acquisitions across the federal government.

Common Critical Success Factors

- Program officials were actively engaged with stakeholders.
- Program staff had the necessary knowledge and skills.
- Senior department and agency executives supported the programs.
- End users and stakeholders were involved in the development of requirements.
- End users participated in testing of system functionality prior to formal end user acceptance testing.
- Government and contractor staff were stable and consistent.
- Program staff prioritized requirements.
- Program officials maintained regular communication with the prime contractor.
- Programs received sufficient funding.

Source: GAO analysis of agency data. | GAO-24-107963

Consideration of these critical factors, along with leading practices in iterative product delivery, could help VA achieve successful IT acquisitions. Many of GAO's recommendations are consistent with these critical success factors.