

# GAO Highlights

Highlights of [GAO-14-283](#), a report to congressional committees

## Why GAO Did This Study

HUD relies extensively on IT to administer its community and housing programs. However, because HUD's IT environment has not effectively supported these programs, the department has been working to modernize its infrastructure and systems and implement management controls to overcome shortcomings in its capabilities. To facilitate oversight of these efforts, Congress set limitations on HUD's modernization funding. Specifically, the fiscal year 2013 appropriations act carried forward requirements for HUD to submit an expenditure plan that satisfied two sets of statutory conditions and was reviewed by GAO before all of the agency's modernization funding could be released. For fiscal year 2013, HUD submitted a plan that sought to obligate \$24.2 million for 16 projects.

In reviewing the plan, GAO's objectives were to (1) determine whether the plan met statutory conditions and (2) provide any observations about the plan. To accomplish this, GAO analyzed the plan against the statutory conditions and compared its contents to HUD documentation, prior GAO reports, and best practices.

## What GAO Recommends

Given the importance of managing and modernizing HUD's IT environment, GAO is recommending that the Secretary of HUD direct the Chief Information Officer to (1) establish a means for evaluating progress toward institutionalizing management controls and (2) define its overall modernization approach to effectively oversee the efforts. In written comments on a draft of this report, HUD concurred with GAO's recommendations.

View [GAO-14-283](#). For more information, contact Valerie C. Melvin at (202) 512-6304 or [melvinv@gao.gov](mailto:melvinv@gao.gov).

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## INFORMATION TECHNOLOGY

### HUD's Expenditure Plan Satisfied Statutory Conditions; Sustained Controls and Modernization Approach Needed

## What GAO Found

The Department of Housing and Urban Development's (HUD) fiscal year 2013 information technology (IT) expenditure plan satisfied the two sets of statutory conditions contained in the appropriations act. Regarding the first set of conditions, the plan identified for each project the functional and performance capabilities to be delivered, mission benefits, life-cycle costs, and key milestones. For example, for the Federal Housing Administration Transformation's Portfolio Evaluation Tool project, the plan identified functional capabilities such as the ability to produce on-demand reports to assess financial impacts and risks. The plan also satisfied the second set of conditions by demonstrating that each project was in compliance with HUD's enterprise architecture, was being managed in accordance with applicable life-cycle policies and guidance, conformed to capital planning and investment control requirements, and was supported by an adequately staffed project office. For instance, it included assessments demonstrating how projects conformed to requirements for planning and controlling investments. By satisfying these conditions, the plan should better inform the decision making of HUD's appropriations committees on current modernization projects.

GAO made two observations regarding the fiscal year 2013 expenditure plan. First, the plan outlined IT management controls, but did not describe progress toward institutionalizing these controls. A federal agency's ability to successfully modernize its IT environment depends on implementing key controls for managing projects, which include enterprise architecture, project life-cycle management, and human capital planning. Further, establishing a means for evaluating progress in institutionalizing these controls can enable effective oversight. While the plan outlined management controls the department developed in 2010 and how they are to be used, it did not provide a means for evaluating progress by describing the extent to which the controls had been established or commit to time lines and activities needed to institutionalize them. Second, while the plan included details on individual projects, it did not describe HUD's overall approach for its modernization efforts. Effective modernization planning includes defining the scope of the effort, an implementation strategy, and a schedule, as well as establishing results-oriented goals and measures. For individual projects requesting fiscal year 2013 funding, the plan included details regarding scope, strategy, and schedule. However, the plan lacked a similar discussion regarding the department's overall approach for modernization efforts. Specifically, the plan did not discuss the scope, implementation strategy, or schedule for HUD's modernization efforts or related projects beyond fiscal year 2013 funding. Further, the plan did not provide goals or measures for gauging the progress of the modernization efforts.

HUD officials stated that they did not view the plan as a mechanism for evaluating progress; rather, they were focused on satisfying the statutory conditions and considered modernization priorities insignificantly changed. However, without a means to evaluate progress toward institutionalizing management controls and an articulated approach for its overall modernization efforts, the department may lack reasonable assurance that projects planned or under way will be completed successfully and its ability to effectively manage improvements to its current IT environment may be limited.