



PRESIDENTIAL AND CONGRESSIONAL TRANSITION

Management Agenda:
Develop and Manage Information Technology to Meet the Government's Needs

The Presidential Transition Act points to the U.S. Government Accountability Office (GAO) as a resource for incoming administrations as well as new Congresses.

GAO's **Management Agenda** is a streamlined tool for new leaders to quickly learn about critical management challenges and risks facing the federal government and the actions needed to address those challenges.



Develop and Manage Information Technology to Meet the Government's Needs is one of the eight management challenges highlighted in the Management Agenda.

Advances in information technology (IT) change the way agencies do business. Managing this technological change government-wide poses a number of challenges for the incoming Congress and Administration, specifically in acquiring and operating these systems.

Read on to learn more about the following challenges:

1. Manage IT Acquisitions
2. Improve IT Operations

Manage IT Acquisitions

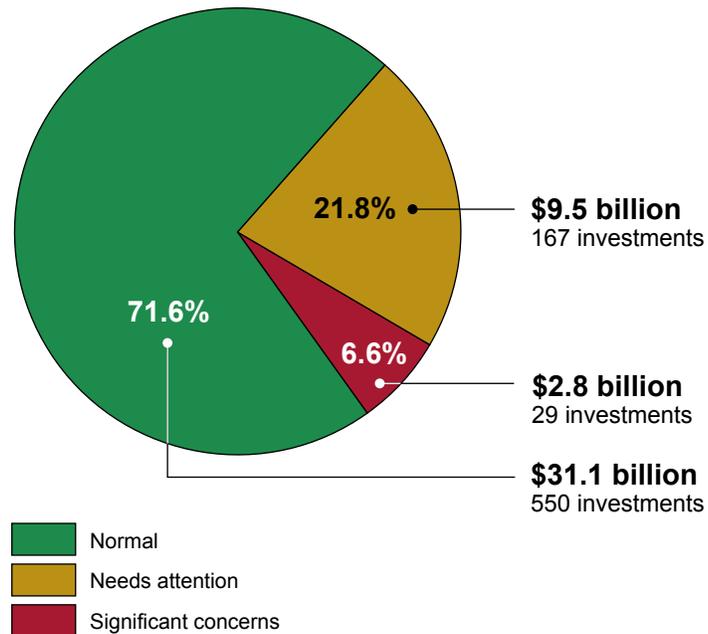
Challenge: Poor Return on Investment

The federal government annually invests more than \$80 billion in IT, however, investments too frequently fail or incur cost overruns and schedule slippages. In 2015 we designated IT acquisitions and operations as a government-wide high-risk area. We found that agencies have IT projects that perform poorly, are scoped too broadly, and are not designed to deliver functionality for several years. Federal IT acquisition often takes too long and is unaccommodating to the rapid evolution of IT. Chief Information Officers (CIO) do not always have sufficient authority over IT portfolios, which can lead to ineffective executive oversight and governance and can cause federal IT projects to fail.

IT acquisition reform legislation enacted in December 2014 has strengthened CIO authority in this regard. The law commonly known as the Federal Information Technology Acquisition Reform Act aims to improve federal IT acquisition and operations. The law includes specific requirements, such as enhancing Agency CIO authority, making publicly available detailed information on federal IT investments to enhance transparency and improve risk management, and reviewing annually IT investment portfolios.

Public reporting and transparency are an important oversight component of the management of IT acquisition and operations. As of June 2016, 196 of the federal government's 746 major IT investments on the Office of Management and Budget's IT Dashboard—totaling \$12.3 billion—were reported as in need of management attention due to their high risk.

Overall Performance Ratings of Major Investments on the IT Dashboard, as of June 2016



Source: Office of Management and Budget's IT Dashboard. | www.gao.gov

Related GAO Work

- [Best Practices and Leading Practices in IT Management](#)
- [IT Acquisitions and Operations - High Risk Issue](#)

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Key Actions Needed

1. Strengthen the requirement for agencies to utilize incremental development in acquiring IT investments.
2. Effectively implement the requirements of the December 2014 IT acquisition reform legislation expeditiously.
3. Implement outstanding GAO recommendations on how agencies report investment risk on the IT Dashboard.

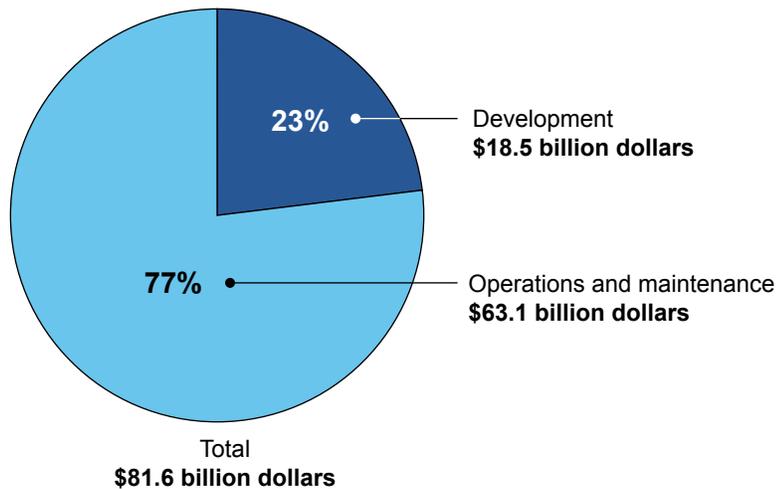
Improve IT Operations

Challenge: Cost Savings Efforts Need Improvement

In fiscal year 2017, federal agencies requested about \$63 billion to fund operations and maintenance of legacy investments, about 77 percent of total IT spending. Many of these legacy systems are inefficient, ineffective, and are becoming increasingly obsolete.

To save billions of dollars on the operations of legacy systems, the Office of Management and Budget implemented the PortfolioStat program to help identify wasteful, low-value or duplicative IT investments. The program requires agencies to conduct an annual, agency-wide IT portfolio review to reduce spending on common IT-related purchases, such as e-mail and desktop computers. In addition, the Data Center Optimization Initiative aims to close excess federal data centers and optimize the performance of the remaining facilities. Both initiatives strengthen Chief Information Officers' efforts to save costs.

Summary of Planned Fiscal Year 2017 IT Investments



Source: GAO analysis of agency data. | www.gao.gov

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Key Actions Needed

1. Achieve at least 80 percent of the planned PortfolioStat and data center consolidation and optimization savings.
2. Implement existing GAO recommendations on improving the performance of the PortfolioStat and data center optimization initiatives.