



Highlights of [GAO-08-1097](#), a report to the Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

Through its Financial and Logistics Integrated Technology Enterprise (FLITE) initiative, the Department of Veterans Affairs (VA) is developing a new system that is intended to fulfill the critical need for a modernized and integrated financial and asset management capability. FLITE is the successor to an earlier initiative that the department undertook—the Core Financial and Logistics System (CoreFLS)—which was discontinued in 2004. GAO was asked to determine (1) the department's overall plan for developing FLITE, (2) the status of its development efforts, (3) VA oversight of this initiative, and (4) whether lessons learned from the CoreFLS initiative have been considered and incorporated into the plan for developing FLITE. To achieve these objectives, GAO analyzed program documentation against relevant policies and best practices and interviewed program and project officials.

What GAO Recommends

To help guide the FLITE initiative and ensure its successful completion, GAO is recommending that VA include additional specificity and details in certain key planning documents and address all findings in the CoreFLS findings repository to minimize risk to the initiative. In written comments on a draft of this report, the department concurred with GAO's recommendations and described actions being taken to address them.

To view the full product, including the scope and methodology, click on [GAO-08-1097](#). For more information, contact Valerie C. Melvin at (202) 512-6304 or melvinv@gao.gov.

VETERANS AFFAIRS

Additional Details Are Needed in Key Planning Documents to Guide the New Financial and Logistics Initiative

What GAO Found

VA's FLITE initiative is intended to integrate and standardize the agency's financial and asset management processes across all offices of the department by 2014 at an estimated cost of \$570 million. The department plans to follow a multiple-year, phased approach to implement the system, which is to consist of two components: the Strategic Asset Management component and the Integrated Financial Accounting System. While the department has created many planning documents that reflect key areas of effective project management planning, it has not fully addressed all key areas. For example, the work breakdown structure did not include specificity on all necessary project tasks. Until the department has added more specificity and details to its planning documents, it faces the risk that FLITE may not be effectively managed and could incur schedule slippages and cost increases that jeopardize meeting its intended goals.

While initial planning and requirements development activities have been completed for FLITE, the program office has not yet begun actual system development. According to VA officials, as of May 2008, approximately \$35 million had been spent on, among other things, the development of concept of operations documents; completion of a stakeholder analysis and communications needs assessment; and identification of business requirements and processes. However, there have been schedule delays (2 to 7 months) in the planned acquisition activities.

VA has performed a number of essential oversight activities to guide the initiative in accordance with the department's information technology governance plan. Specifically, high-level managers perform oversight and engage program and project managers. In addition, the department recently performed an in-depth milestone review of planning documentation for one component of FLITE, and it is performing risk management activities to help ensure the initiative's successful execution and implementation. Taken together, these actions should help the department ensure that the program will be managed efficiently and effectively.

VA also is considering lessons learned from CoreFLS to further minimize risks to the successful implementation of FLITE. Program officials developed an aggregated findings repository containing deficiencies identified in three independent reviews of CoreFLS. Program officials used the repository to document actions taken to address deficiencies and apply lessons learned. A total of 141 findings were identified, and program officials have begun addressing 123 findings. However, corrective actions have not been taken to address the remaining findings. It is essential that all findings identified in the reviews be fully addressed. Until the department addresses all of the findings, the likelihood is increased that the problems experienced with CoreFLS could recur and jeopardize the successful implementation of FLITE.