

Why GAO Did This Study

The United States Department of Agriculture's (USDA) Farm Service Agency (FSA) is responsible for administering billions of dollars annually in program benefits to farmers and ranchers. Since 2004, FSA has been planning to modernize its information technology (IT) systems that process these benefits with the Modernize and Innovate the Delivery of Agricultural Systems (MIDAS) program.

GAO was asked to determine (1) the scope and status of MIDAS, (2) whether MIDAS has appropriate program management, and (3) whether MIDAS has appropriate executive oversight and governance. To do so, GAO reviewed relevant department guidance and program documents and interviewed USDA officials.

What GAO Recommends

GAO is recommending that USDA update cost and schedule estimates, address management weaknesses in plans and program execution, and clarify the roles and coordination among governance bodies. USDA agreed with GAO's recommendations and described plans to address them.

USDA SYSTEMS MODERNIZATION

Management and Oversight Improvements Are Needed

What GAO Found

FSA plans to modernize the systems supporting its 37 farm programs with MIDAS. The implementation cost estimate is approximately \$305 million, with a life cycle cost of approximately \$473 million. However, the implementation cost estimate is uncertain because it has not been updated since 2007 and does not include cost elements that have since been identified, such as the selection of a commercial enterprise resource planning product. Following completion of its initial phase of program planning in October 2010, MIDAS entered its second of four phases—proof of concept and system design. However, the schedule for this phase, which was to be completed in October 2011, is now uncertain. While FSA officials report that the proof of concept activities are proceeding as scheduled, they have delayed a requirements review milestone until December 2011 and have not yet set a new date for the design review. As a result, the completion date for the second phase and its impact on subsequent phases is uncertain. FSA officials plan to revisit the cost and schedule estimates after completing requirements definition.

FSA's program management approach includes many leading practices, but could be strengthened. For example, prior to the proof of concept and system design phase, plans were in place for organizational change and communication, requirements management, and risk. However, a few practices were either partially addressed or not addressed at all in program plans or in the implementation of those plans. For example, an integrated team has not yet been formed with representatives from IT programs that MIDAS depends on for its success. Moreover, the plans do not explicitly call for, and FSA has not produced, a schedule that reflects dependencies with those programs, and risks are not being regularly tracked as planned. FSA's uneven adoption of leading practices is likely to limit the agency's effectiveness in managing system development, and thus its ability to deliver system capabilities on time and within budget.

Executive-level governance for MIDAS has not been clearly defined and does not fully follow department IT investment management guidance. Specifically, oversight and governance has been assigned to several department and agency bodies, but roles and escalation criteria are not clearly defined among them. Department officials reported that department guidance is being followed for monthly status reviews, but not for department-level reviews at key decision points. The lack of clarity and definition for the roles of the governance bodies could result in duplication or voids in program oversight, as well as wasted resources. Moreover, because MIDAS is not being governed according to the department's investment guidance, the department may not be rigorously monitoring and managing the program and its risks, and may not have the information it needs to make timely and appropriate decisions to ensure the success of MIDAS.