



Highlights of [GAO-07-1246T](#), a testimony before the Senate Committee on Veterans' Affairs

## Why GAO Did This Study

The Department of Veterans Affairs (VA) depends on information technology (IT) to effectively serve our nation's veterans, with an IT budget of about \$1 billion annually. However, it has encountered numerous challenges in managing its IT programs and initiatives. To address these challenges, VA is realigning its IT organization and management to a centralized model founded on a defined set of improved management processes. Begun in October 2005, the realignment is planned to be complete by July 2008.

In this testimony, GAO discusses its recent reporting on VA's realignment effort and its management of other IT programs and initiatives, including ongoing systems development efforts and work to share electronic health information with the Department of Defense (DOD). To prepare this testimony, GAO reviewed its past work in these areas.

## What GAO Recommends

In the reports covered by this testimony, GAO made recommendations aimed at improving VA's management of its IT programs and initiatives.

To view the full product, including the scope and methodology, click on [GAO-07-1246T](#). For more information, contact Valerie Melvin at (202) 512-6304 or [melvinv@gao.gov](mailto:melvinv@gao.gov).

## VETERANS AFFAIRS

### Progress Made in Centralizing Information Technology Management, but Challenges Persist

#### What GAO Found

VA has made progress in moving to a centralized management structure for IT; however, at the time of GAO's review in May 2007, the department had still to address certain critical success factors for transformation, and it had not yet institutionalized key IT management processes. VA's plans for realigning the management of its IT program include elements of several of the six factors that GAO identified as critical for the department's implementation of a centralized management structure, and it had fully addressed one factor—ensuring commitment from top leadership—having obtained the Secretary's approval of the realignment and the new IT governance structure. However, as of May 2007, the department did not plan to address one of the critical success factors: dedicating an implementation team to manage change. Having such a team is important, since the implementation of the realignment is expected to continue until July 2008. Without a dedicated team, it is less likely that the implementation will be managed effectively. In addition, although the department had begun to take action to establish improved management processes—a cornerstone of the realignment—it had not made significant progress. As of May 2007, it had begun pilot testing 2 of 36 planned new processes. Until it institutionalizes key processes throughout the department, the full benefits of the realignment may not be realized.

At the same time that it is implementing the realignment, VA is managing ongoing IT programs such as information security and inventory control, and it is continuing initiatives to develop IT systems. The department is managing these programs and initiatives using existing management processes, many of which display the long-standing weaknesses that VA aims to alleviate through its realignment. Some progress has been made: for example, the department took actions to improve controls over IT equipment, such as issuing several new policies to establish guidance and controls for information security, but because the realignment was not yet fully implemented, improved processes for inventory control had not been established. In addition, progress on the development of a modernized compensation and benefits system occurred after the project implemented improved management processes, which the department now plans to apply to all its IT projects. VA also achieved a milestone in the long-term effort to share electronic health information with DOD, having begun to exchange limited medical data with DOD (at selected sites) through an interface between the data repositories for the modern health information systems that each department is developing. To achieve their long-term vision, VA and DOD have much work still to do (such as extending the current capability throughout both departments), and the two departments have not yet projected a final completion date for the whole initiative. Further progress in VA's IT programs and initiatives could be significantly aided by the improved processes that are the cornerstone of the realignment. Until these are fully implemented, the impact of the realignment on these programs and initiatives is uncertain.