Why GAO Did This Study

Information technology (IT) is critical to the Department of Housing and Urban Development’s (HUD) ability to carry out its home ownership and community development mission. Provisions of the Consolidated Appropriations Act, 2010, require HUD to develop and submit to Congress an expenditure plan for its efforts to modernize the department’s IT environment prior to using 75 percent of the funds made available for IT modernization. The plan is to satisfy certain statutory conditions and is to be reviewed by GAO. Accordingly, GAO’s objectives were to (1) determine whether HUD’s revised plan satisfies statutory conditions and (2) provide observations about the plan and management of HUD’s IT modernization program. To accomplish this, GAO assessed the plan against the statutory conditions, analyzed department documentation and relevant plans on key internal management controls, and reviewed HUD’s efforts to address open GAO recommendations. GAO also interviewed cognizant department officials.

What GAO Recommends

To ensure institutional commitment for current and future enterprise architecture development, maintenance, and use, GAO is recommending that HUD approve a policy to govern the architecture prior to further developing its segment architectures. In written comments on a draft of this report, HUD concurred with GAO’s recommendation.

What GAO Found

HUD’s revised fiscal year 2010 expenditure plan satisfied the statutory conditions contained in the act. Specifically, pursuant to the statute, the plan identified the functional and performance capabilities, mission benefits, lifecycle costs, and key milestones for seven identified IT projects that support HUD’s modernization efforts. For example, the plan stated that one of the mission benefits expected from the HUD Integrated Financial Management Improvement Project is to support the timeliness and responsiveness of financial transactions by ensuring that invoices are paid on time equal to or greater than 98 percent of the time. Further, the plan demonstrated that each project had support from an adequately staffed project office; conformed to the department’s in-process policies and procedures on capital planning and investment control; complied with the department’s in-process enterprise architecture; and had been managed in accordance with HUD’s in-process lifecycle management processes. For example, the plan disclosed detailed information regarding how each project was categorized in relation to the department’s conceptual architecture currently in development.

GAO made two observations regarding the department’s management of its IT modernization program:

First, HUD has made progress toward implementing key IT management controls. For example, HUD created a conceptual enterprise architecture that is expected to be fully defined by spring 2012; however, it has not yet established institutional commitment through an approved policy to guide the development, maintenance, and use of the architecture. Further, the department has begun establishing a new investment management governance structure which is expected to support the fiscal year 2013 budget process. Lastly, HUD has committed to developing an IT human capital plan by December 2011 that is expected to include strategies to accomplish the human capital goals of the Office of the Chief Information Officer.

Second, HUD has fully implemented or has plans to address prior GAO recommendations related to its expenditure plan and IT management. Specifically, of eight recommendations made in two reports issued in July 2009 and November 2010, respectively, HUD has fully implemented six of these recommendations and is taking steps to address the remaining two. For example, GAO recommended that future expenditure plans clearly describe the status of the department’s efforts to establish and implement modernization management controls. HUD’s revised plan addressed this recommendation by detailing what progress the department has made and what activities it is taking toward institutionalizing management controls. In addition, the department has developed a plan to address investment management weakness; however, work remains to develop criteria for evaluating the investment portfolio. HUD is also developing strategies to close skill gaps in its IT workforce.

View GAO-11-762 or key components.
For more information, contact Valerie C. Melvin at (202) 512-6304 or melvinv@gao.gov.