Why GAO Did This Study

The federal government reportedly plans to spend at least $82 billion on IT in fiscal year 2014. Given the scale of such planned outlays and the criticality of many of these systems to the health, economy, and security of the nation, it is important that federal agencies successfully acquire these systems—that is, ensure that the systems are acquired on time and within budget and that they deliver the expected benefits and functionality.

However, GAO has previously reported and testified that federal IT projects too frequently incur cost overruns and schedule slippages while contributing little to mission-related outcomes. To help improve these efforts, OMB has launched several initiatives intended to improve the oversight and management of IT acquisitions. In addition, during the past several years GAO has issued multiple reports and testimonies on federal initiatives to acquire and improve the management of IT investments.

As discussed with committee staff, GAO is testifying today on IT best practices, with a focus on the results of its report issued on the critical success factors of major IT acquisitions. To prepare this statement, GAO drew on previously published work.

What GAO Recommends

GAO has made numerous recommendations to OMB and agencies on key aspects of IT acquisition management, as well as the oversight and management of those investments.

What GAO Found

Information technology (IT) acquisition best practices have been developed by both industry and the federal government. For example, the Software Engineering Institute has developed highly regarded and widely used guidance on best practices, such as requirements development and management, risk management, validation and verification, and project monitoring and control.

GAO’s own research in IT management best practices led to the development of the Information Technology Investment Management Framework, which describes essential and complementary IT investment management disciplines, such as oversight of system development and acquisition management, and organizes them into a set of critical processes for successful investments.

GAO also recently reported on the critical factors underlying successful IT acquisitions. Officials from federal agencies identified seven investments that were deemed successfully acquired in that they best achieved their respective cost, schedule, scope, and performance goals. Agency officials identified nine common factors that were critical to the success of three or more of the seven investments.

<table>
<thead>
<tr>
<th>Critical success factor</th>
<th>Number of investments reporting</th>
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<tbody>
<tr>
<td>Program officials were actively engaged with stakeholders</td>
<td>7</td>
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<tr>
<td>Program staff had the necessary knowledge and skills</td>
<td>6</td>
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<tr>
<td>Senior department and agency executives supported the programs</td>
<td>6</td>
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<tr>
<td>End users and stakeholders were involved in the development of requirements</td>
<td>5</td>
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<td>End users participated in testing of system functionality prior to formal end user acceptance testing</td>
<td>5</td>
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<tr>
<td>Government and contractor staff were consistent and stable</td>
<td>4</td>
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<tr>
<td>Program staff prioritized requirements</td>
<td>4</td>
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<tr>
<td>Program officials maintained regular communication with the prime contractor</td>
<td>4</td>
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<tr>
<td>Programs received sufficient funding</td>
<td>3</td>
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</tbody>
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Source: GAO analysis of agency data.

Officials from all seven investments cited active engagement with program stakeholders as a critical factor to the success of those investments. Agency officials stated that stakeholders regularly attended program management office sponsored meetings; were working members of integrated project teams; and were notified of problems and concerns as soon as possible.

Additionally, officials from six investments indicated that knowledge and skills of the program staff, and support from senior department and agency executives were critical to the success of their programs. Further, officials from five of the seven selected investments identified having the end users test and validate the system components prior to formal acceptance testing for deployment as critical to the success of their program. These critical factors support the Office of Management and Budget’s (OMB) objective of improving the management of large-scale IT acquisitions across the federal government; wide dissemination of these factors could complement OMB’s efforts.