INFORMATION TECHNOLOGY

Agencies Need to Improve Their Application Inventories to Achieve Additional Savings

What GAO Found

Most of the 24 Chief Financial Officers (CFO) Act of 1990 agencies in the review fully met at least three of the four practices GAO identified to determine if agencies had complete software application inventories. To be considered complete, an inventory should (1) include business and enterprise information technology (IT) systems as defined by the Office of Management and Budget (OMB); (2) include these systems from all organizational components; (3) specify application name, description, owner, and function supported; and (4) be regularly updated. Of the 24 agencies, 4 (the Departments of Defense, Homeland Security, and Justice, and the General Services Administration) fully met all four practices, 9 fully met three practices, 6 fully met two practices, 2 fully met one practice, and 3 did not fully meet any practice (see figure).

Assessment of Whether Agencies Fully Met Practices for Establishing Complete Software Application Inventories

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A January 2016 OMB requirement to complete an IT asset inventory by the end of May 2016 contributed to most of the agencies fully meeting the first three practices. Agencies that did not fully address these practices stated, among other things, their focus on major and high risk investments as a reason for not having complete inventories. However, not accounting for all applications may result in missed opportunities to identify savings and efficiencies. It is also inconsistent with OMB guidance regarding implementation of IT acquisition reform law, referred to as the Federal Information Technology Acquisition Reform Act, which requires that Chief Information Officers at covered agencies have increased visibility into all IT resources. Not accounting for all applications also presents a security risk since agencies can only secure assets if they are aware of them.

Each of the six selected agencies relied on their investment management processes and, in some cases, supplemental processes to rationalize their applications to varying degrees. However, five of the six agencies acknowledged that their processes did not always allow for collecting or reviewing the information needed to effectively rationalize all their applications. The sixth agency, the National Science Foundation (NSF), stated its processes allow it to effectively rationalize its applications, but agency documentation supporting this assertion was incomplete. Only one agency—the National Aeronautics and Space Administration (NASA)—had plans to address shortcomings. Taking action to address identified weaknesses with agencies’ existing processes for rationalizing applications would assist with identifying additional opportunities to reduce duplication and achieve savings.

Why GAO Did This Study

The federal government is expected to spend more than $90 billion on IT in fiscal year 2017. This includes a variety of software applications supporting agencies’ enterprise needs. Since 2013, OMB has advocated the use of application rationalization. This is a process by which an agency streamlines its portfolio of software applications with the goal of improving efficiency, reducing complexity and redundancy, and lowering the cost of ownership.

GAO’s objectives were to determine (1) whether agencies have established complete application inventories and (2) to what extent selected agencies have developed and implemented processes for rationalizing their portfolio of applications. To do this, GAO assessed the inventories of the 24 CFO Act agencies against four key practices and selected six agencies—the Departments of Defense, Homeland Security, the Interior, Labor, and NASA and NSF—due to their IT spending, among other factors, to determine whether they had processes addressing applications.

What GAO Recommends

GAO is recommending that 20 agencies improve their inventories and five of the selected agencies take actions to improve their processes to rationalize their applications more completely. The Department of Defense disagreed with both recommendations made to it. After reviewing additional evidence, GAO removed the recommendation associated with improving the inventory but maintained the other. The other agencies agreed to or had no comments on the draft report.

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