

GAO Highlights

Highlights of [GAO-17-686T](#), a testimony before the Subcommittees on Government Operations and Information Technology, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

The federal government plans to invest almost \$96 billion on IT in fiscal year 2018. Historically, these investments have too often failed, incurred cost overruns and schedule slippages, or contributed little to mission-related outcomes. Accordingly, in December 2014, Congress enacted FITARA, aimed at improving agencies' acquisitions of IT. Further, in February 2015, GAO added improving the management of IT acquisitions and operations to its high-risk list.

This statement summarizes agencies' progress in improving the management of IT acquisitions and operations. This statement is based on GAO prior and recently published reports on (1) data center consolidation, (2) risk levels of major investments as reported on OMB's IT Dashboard, (3) implementation of incremental development practices, and (4) management of software licenses.

What GAO Recommends

From fiscal years 2010 through 2015, GAO made about 800 recommendations to OMB and federal agencies to address shortcomings in IT acquisitions and operations, and included recommendations to improve the oversight and execution of the data center consolidation initiative, the accuracy and reliability of the Dashboard, incremental development policies, and software license management. Most agencies agreed with GAO's recommendations or had no comments. In addition, in fiscal year 2016, GAO made about 200 new recommendations in this area. GAO will continue to monitor agencies' implementation of these recommendations.

View [GAO-17-686T](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.

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INFORMATION TECHNOLOGY

Sustained Management Attention to the Implementation of FITARA Is Needed to Better Manage Acquisitions and Operations

What GAO Found

The Office of Management and Budget (OMB) and federal agencies have taken steps to improve information technology (IT) through a series of initiatives, and as of May 2017, had fully implemented about 47 percent of the approximately 800 related GAO recommendations. However, additional actions are needed.

- **Consolidating data centers.** OMB launched an initiative in 2010 to reduce data centers, which was reinforced by the Federal Information Technology Acquisition Reform Act (FITARA) in 2014. GAO reported in May 2017 that agencies had closed 4,388 of the 9,995 total data centers, and had plans to close a total of 5,597 through fiscal year 2019. As a result, agencies reportedly saved or avoided about \$2.3 billion through August 2016. However, out of the 23 agencies that submitted required strategic plans, only 7 had addressed all required elements. GAO recommended that agencies complete their plans to optimize their data centers and achieve cost savings and ensure reported cost savings are consistent across reporting mechanisms. Most agencies agreed with the recommendations.
- **Enhancing transparency.** OMB's IT Dashboard provides information on major investments at federal agencies, including ratings from Chief Information Officers that should reflect the level of risk facing an investment. GAO reported in June 2016 that agencies had not fully considered risks when rating their investments on the Dashboard. In particular, of the 95 investments reviewed, GAO's assessments of risks matched the ratings 22 times, showed more risk 60 times, and showed less risk 13 times. GAO recommended that agencies improve the quality and frequency of their ratings. Most agencies generally agreed with or did not comment on the recommendations.
- **Implementing incremental development.** OMB has emphasized the need for agencies to deliver investments in smaller parts, or increments, in order to reduce risk and deliver capabilities more quickly. Since 2012, OMB has required investments to deliver functionality every 6 months. In August 2016, GAO reported that while 22 agencies had reported that about 64 percent of 469 active software development projects planned to deliver usable functionality every 6 months for fiscal year 2016, the other 36 percent of the projects did not. Further, for 7 selected agencies, GAO identified differences in the percentages of software projects reported to GAO as delivering functionality every 6 months, compared to what was reported on the Dashboard. GAO made recommendations to agencies and OMB to improve the reporting of incremental data on the Dashboard. Most agencies agreed or did not comment on the recommendations.
- **Managing software licenses.** Effective management of software licenses can help avoid purchasing too many licenses that result in unused software. In May 2014, GAO reported that better management of licenses was needed to achieve savings. Specifically, only two agencies had comprehensive license inventories. GAO recommended that agencies regularly track and maintain a comprehensive inventory and analyze that data to identify opportunities to reduce costs and better inform decision making. Most agencies generally agreed with the recommendations or had no comments; as of May 2017, 4 agencies had made progress in implementing them.