

Why GAO Did This Study

DOD spends billions of dollars each year on systems to support its key business areas, such as personnel and logistics. For fiscal year 2020, DOD reported that its business system investments are expected to cost about \$8.9 billion. GAO has made many recommendations to DOD aimed at strengthening defense business systems management. Further, U.S. Code Title 10, Section 2222 requires DOD to perform activities aimed at ensuring that these investments are managed efficiently and effectively.

The *National Defense Authorization Act for Fiscal Year 2016* included a provision for GAO to report on the extent to which DOD is complying with the code's requirements. Accordingly, the objective of this review was to assess the extent to which DOD has taken actions that comply with the code's requirements for ensuring that business system investments are managed efficiently and effectively.

To do so, GAO selected 12 recommendations that DOD had not implemented as of June 2019, and assessed the department's subsequent actions on the recommendations (through November 2019) against the requirements in the code. GAO also analyzed DOD's business systems guidance and business enterprise architecture documentation, and interviewed relevant DOD officials.

What GAO Recommends

GAO is not making any new recommendations in this report. As of November 2019, DOD had not yet implemented eight of the 12 prior recommendations. GAO will continue to monitor DOD's actions to address the remaining recommendations.

View [GAO-20-253](#). For more information, contact Carol Harris at (202) 512-4456 or harriscc@gao.gov.

BUSINESS SYSTEMS MODERNIZATION

DOD Has Made Progress in Addressing Recommendations to Improve IT Management, but More Action Is Needed

What GAO Found

As of November 2019, the Department of Defense (DOD) had taken actions that addressed some, but not all, of the 12 prior GAO recommendations for strengthening defense business systems management. In doing so, the department made progress in complying with related business system investment management requirements contained in U.S. Code Title 10 Section 2222 (the code or U.S. Code).

Specifically, as of November 2019, DOD had implemented four of the 12 recommendations (see table). For example, with respect to the requirement associated with investment management guidance, DOD had implemented the recommendation to issue policy requiring full consideration of sustainability and technological refreshment requirements for its business system investments.

However, DOD had not yet implemented eight other recommendations relating to the code's requirements. The recommendations that had not been implemented relate to the department's actions to:

- integrate its business and information technology (IT) architectures,
- ensure that portfolio assessments are conducted in key areas identified in the GAO Information Technology Investment Management framework.
- develop a skills inventory, needs assessment, gap analysis, and plan to address identified gaps as part of a strategic approach to human capital planning, among other things.

Status of Department of Defense Implementation of GAO Recommendations Relating to U.S. Code Title 10 Section 2222 Requirements for Strengthening Defense Business Systems Management, as of November 2019

Code requirement	Number of recommendations implemented	Number of recommendations not yet implemented	Total
Establish business system investment management guidance	1	0	1
Develop and maintain a business and IT enterprise architecture	0	5	5
Ensure business system investment review and certification	3	2	5
Other (ensure a strategic approach to human capital)	0	1	1
Total	4	8	12

Source: GAO analysis of DOD documentation. | GAO-20-253

Taking further actions to implement all of the recommendations is essential to helping the department achieve compliance with all of the requirements—and, ultimately, further strengthen the management of its defense business system investments as well as its efforts to effectively transform its business operations.