

Highlights of [GAO-13-297T](#), a testimony before the Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

The federal government plans to spend more than \$74 billion on IT investments in fiscal year 2013. Given the size of these investments and the criticality of many of them to the health, economy, and security of the nation, it is important that OMB and federal agencies provide appropriate oversight of and adequate transparency into these programs. Nevertheless, IT projects too frequently incur cost overruns and schedule slippages, and result in duplicate systems while contributing little to mission-related outcomes.

GAO was asked to testify on the results and recommendations from its selected reports that focused on key aspects of the federal government's acquisition and management of IT investments. To prepare this statement, GAO drew on previously published work.

What GAO Recommends

GAO has issued numerous recommendations to OMB and agencies on key aspects of IT management, including (1) OMB's public website, known as the IT Dashboard, which provides detailed information on federal agencies' major IT investments, and (2) efforts to oversee IT operations and consolidate data centers.

View [GAO-13-297T](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.

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INFORMATION TECHNOLOGY

OMB and Agencies Need to Fully Implement Major Initiatives to Save Billions of Dollars

What GAO Found

GAO has issued a number of key reports on the federal government's efforts to efficiently acquire and operate information technology (IT) investments and found that if major initiatives are fully implemented, billions of dollars in savings could be realized. In particular, GAO has made recommendations regarding the Office of Management and Budget's (OMB) public website, known as the IT Dashboard, which provides detailed information on federal agencies' major IT investments; agencies' efforts to perform analyses on existing IT investments; and agencies' progress toward consolidating data centers.

OMB has taken significant steps to enhance the oversight, transparency, and accountability of federal IT investments by creating its IT Dashboard, and by improving the accuracy of investment ratings. However, there were issues with the accuracy and reliability of cost and schedule data in the Dashboard, and GAO has recommended steps that OMB and agencies should take to improve these data—this is important since the Dashboard reports 190 investments totaling almost \$12.5 billion being at risk. GAO recently reported that six federal agencies consistently rated the majority of their IT investments as low risk. Further, the Department of Defense's (DOD) ratings reflected considerations in addition to those OMB recommends, and consequently it did not rate any of its investments as high risk. However, GAO has recently reported that several DOD investments experienced significant performance problems and were indeed high risk, and that DOD business systems modernization is a high-risk area. In the past, OMB reported trends for risky IT investments needing management attention as part of its annual budget submission, but discontinued this reporting in fiscal year 2010. GAO recommended OMB analyze agencies' investment risk over time as reflected in the Dashboard's ratings and present its analysis with the President's annual budget submission.

While agencies plan to spend billions on operational investments—more than \$54 billion in fiscal year 2013—they have not always provided adequate oversight of these investments. Specifically, GAO reported in October 2012 that five agencies had operational investments with a fiscal year 2011 budget of over \$3 billion that had not undergone operational analyses as required by OMB. The report also noted that until operational investments are fully assessed, there was increased potential for these multibillion dollar investments to result in unnecessary waste and duplication. GAO recommended that the five agencies conduct required analyses.

GAO reported on the federal government's progress toward data center consolidation (which OMB expects will save \$3 billion by 2015). In July 2012, GAO found that agencies updated their required inventories and plans, but only 3 of 24 agencies in the review submitted complete inventories and only 1 agency submitted a complete plan, as required by OMB. Until these inventories and plans were complete, agencies would continue to be at risk of not realizing anticipated savings, improved infrastructure utilization, or energy efficiency. Accordingly, GAO reiterated a prior recommendation to update inventories and plans, and also recommended that agencies use best practices when developing estimates.