

Why GAO Did This Study

HUD relies on IT to deliver services and manage programs in support of its mission of strengthening communities and ensuring access to affordable housing. However, the department has experienced shortcomings in its IT management capability and limitations in the systems supporting its mission.

A Senate report accompanying HUD's fiscal year 2012 appropriation mandated GAO to evaluate, among other things, the department's institutionalization of IT governance. In response, GAO reported on HUD's IT project management in June 2013.

GAO's objectives for this second review were to determine (1) the extent to which HUD implemented key IT governance practices, including effective cost estimation, and (2) what, if any, cost savings or operational efficiencies HUD has reported achieving as a result of its IT governance practices. To accomplish this, GAO compared HUD's approach to IT governance with best practices and the department's policies and procedures. GAO also analyzed reported cost savings and operational efficiencies, along with any available supporting documentation.

What GAO Recommends

GAO recommends that HUD ensure that its investment review boards operate as intended and complete and update associated policies; fully establish processes including key elements for selecting and overseeing investments; and fully establish a process for identifying, collecting, and reporting data about cost savings and efficiencies. HUD agreed with GAO's recommendations.

INFORMATION TECHNOLOGY

HUD Can Take Additional Actions to Improve Its Governance

What GAO Found

The Department of Housing and Urban Development (HUD) has partially established elements of key practices for effective information technology (IT) governance, as identified by GAO's IT investment management guide. However, several shortcomings remain:

- **Investment boards, policies, and procedures were not fully established:** HUD chartered four review boards to manage the department's IT investments; however, the executive-level board, which is to be responsible for overall definition and implementation of the investment management process, has never met. Instead, the department's Deputy Secretary makes decisions about which investments to fund. The lack of an operational executive-level board has affected HUD's other active investment boards, which are operating without criteria the executive-level board was to have established for evaluating proposed investments. In addition, HUD has not yet developed all of the policies that it has identified as needed to support its IT management framework. Specifically, the department has not set a schedule for developing policies for IT investment performance, privacy, and risk management. Office of the Chief Information Officer (CIO) officials explained that operating without an executive-level board represents the preferred investment management approach of HUD's Secretary and Deputy Secretary.
- **Process for selecting investments lacks key elements:** HUD has developed elements of a process for selecting investments based on defined criteria; however, it has not fully defined and implemented practices for identifying, evaluating, and prioritizing proposed IT projects for funding, as recommended by GAO's IT investment management guide. CIO officials acknowledged that they have not yet fully developed a standard and well-documented process and attributed weaknesses to a variety of factors, including changes in leadership, priorities, and approaches.
- **Process for overseeing investments has not been fully developed:** The department has not consistently compared the performance of projects to pre-defined expectations, established thresholds to trigger remedial action for underperforming investments, or reviewed projects after implementation to compare actual investment results with decision makers' expectations. These weaknesses were attributed by CIO officials to, among other things, the lack of a consistent, enterprise-wide way to collect and compare actual data with estimates.

Until effective governance practices are institutionalized, there is risk that HUD's investments in IT may not reflect department-wide goals and priorities or effectively support the department's mission.

While HUD has reported governance-related cost savings and operational efficiencies, the data to support such reports were not always accurate, consistent, or substantiated. This is due, in part, to the lack of a department-wide approach, as called for in Office of Management and Budget guidance, to identify and collect cost-savings information. Thus, it is unclear to what extent HUD has realized savings or operational efficiencies from its IT governance.