

GAO Highlights

Highlights of [GAO-15-675T](#), 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 invests more than \$80 billion annually in IT. However, these investments frequently fail, incur cost overruns and schedule slippages, or contribute little to mission-related outcomes. This underperformance of federal IT projects can be traced to a lack of disciplined and effective management and inadequate executive-level oversight. Accordingly, in February 2015, GAO added improving the management of IT acquisitions and operations to its high-risk list—a list of agencies and program areas that are high risk due to their vulnerabilities to fraud, waste, abuse, and mismanagement, or are most in need of transformation.

GAO was asked to testify on its designation of the management of IT acquisitions and operations as a federal high-risk area and the impact of recent legislation on IT acquisition reform. In preparing this statement, GAO relied on its previously published work in these areas.

What GAO Recommends

From October 2009 through December 2014, GAO made 737 recommendations to OMB and agencies to improve the management and oversight of IT. As of January 2015, only about 23 percent of these had been fully implemented.

View [GAO-15-675T](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov, Carol Cha at (202) 512-4456 or chac@gao.gov, or Valerie Melvin at (202) 512-6304 or melvinv@gao.gov.

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INFORMATION TECHNOLOGY

Additional Actions and Oversight Urgently Needed to Reduce Waste and Improve Performance in Acquisitions and Operations

What GAO Found

Federal investments in information technology (IT) have often resulted in multimillion dollar cost overruns and years-long schedule delays, with questionable mission-related achievements. Further, the implementation of initiatives to improve IT acquisitions has been inconsistent. For example, the Office of Management and Budget (OMB) established a process for holding face-to-face investment performance reviews between agencies and OMB (referred to as “TechStats”). However, as of 2013 less than 20 percent of at-risk investments across the government had undergone such reviews, even though GAO has identified a number of ongoing IT investments with significant issues that require attention. OMB also requires investments to deliver capabilities every 6 months, but as GAO reported in 2014, less than half of selected investments at five major agencies planned to deliver capabilities in 12-month cycles.

To facilitate transparency across the government in acquiring and managing IT investments, OMB established a public website—the IT Dashboard—to provide detailed information on major investments at federal agencies. As of May 2015, the Dashboard showed that 178 of the government’s 738 major investments—totaling \$8.7 billion—were in need of management attention due to their risk. Moreover, OMB does not update the public version of the Dashboard while the President’s budget request is being formulated, most recently for more than 6 months. GAO has made multiple recommendations to improve the Dashboard.

Further opportunities for savings and efficiency exist in agencies’ spending on “commodity” IT (e.g., IT infrastructure, enterprise systems such as e-mail, and systems that perform administrative functions) and the consolidation of federal data centers. The table below shows savings realized or planned from the consolidation of federal data centers.

Estimated, Actual, or Planned Savings from Data Center Consolidation (Dollars in Millions)									
Fiscal year	Estimated/Actual			Planned					Total
	2011	2012	2013	2014	2015	2016	2017	Beyond 2017	
Total savings and avoidances	\$192	\$268	\$683	\$895	\$1,250	\$917	\$1,144	\$2,100	\$7,449
\$1,143 total				\$6,306 total					

Source: GAO analysis of agency data. | GAO-15-675T

However, limitations exist in how agencies report savings in these areas: better tracking them would provide for greater transparency and oversight.

Recognizing the importance of these issues, a law was recently enacted aimed at reforming federal IT acquisition. This legislation should help address the key issue areas identified in GAO’s high-risk designation. OMB has released proposed guidance for agencies to implement provisions of this law, to include implementing roles and responsibilities for senior agency officials. To improve the management of IT acquisitions and operations, it is also critical for agencies to implement GAO’s prior recommendations and demonstrate measurable government-wide progress in key areas such as delivering IT systems incrementally and realizing planned data center savings.