

GAO Highlights

Highlights of [GAO-22-105059](#), a report to congressional requesters

Why GAO Did This Study

VA's core financial management system is approximately 30 years old and is extremely difficult to maintain and adapt to emerging requirements and federal financial regulations. VA's FMBT program is replacing its legacy system with a new integrated system, iFAMS, at an estimated cost of \$3.24 billion. VA deployed the financial operations capabilities of iFAMS at NCA in November 2020 and at VBA in February 2021 and May 2021.

GAO was asked to review the progress of the FMBT program. The specific objectives for this report were to examine the extent to which (1) VA has measured if iFAMS is providing intended operational benefits; (2) VA's organizational change management activities facilitating its transition to the new financial management system were consistent with leading practices; and (3) VA's data migration activities to cleanse, convert, and migrate data to the new financial management system were consistent with leading practices. GAO compared key program management activities to leading practices and interviewed program officials, in addition to selected system users.

What GAO Recommends

GAO is making six recommendations to VA, including that it establish target values for success metrics, ensure that organizational change management practices are consistent with leading practices, and mitigate the conversion timing risks and issues for future deployments. VA concurred with the recommendations and described actions the department will take to address them.

View [GAO-22-105059](#). For more information, contact Paula M. Rascona at (202) 512-9816 or rasconap@gao.gov or Carol C. Harris at (202) 512-4456 or harriscc@gao.gov.

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VA FINANCIAL MANAGEMENT SYSTEM

Additional Actions Needed to Help Ensure Success of Future Deployments

What GAO Found

The Department of Veterans Affairs (VA) Financial Management Business Transformation (FMBT) program has begun deploying the Integrated Financial and Acquisition Management System (iFAMS) at the National Cemetery Administration (NCA) and the Veterans Benefits Administration (VBA). According to leading practices, management should measure the performance of a system and related user satisfaction to monitor progress toward preestablished targets in order to understand and report on expected operational benefits. The program has developed metrics, established baselines, and begun to measure operational benefits for NCA and VBA. However, it has not identified target values for achievement. Therefore, reporting of results does not provide a complete and measurable picture of the program's progress relative to plans. Until the FMBT program is able to compare results to target values, the new system's delivery of intended operational benefits and the extent to which the department is maximizing the return on its multibillion-dollar investment are unclear.

Effective change management techniques make successfully implementing organizational change quickly and with reduced risk more likely. The FMBT program's organizational change management activities were consistent with four leading practices and partially consistent with the remaining three (see table). Consistently following effective change management practices for the transition to iFAMS helps ensure a smooth transition for future deployments.

FMBT Program Consistency with Organizational Change Management Leading Practices

Leading practice	GAO assessment
Developing a vision for change	Consistent
Identifying stakeholders	Consistent
Effectively communicating with stakeholders to manage commitment	Consistent
Identifying and addressing stakeholders' potential barriers to change	Consistent
Increasing workforce skills and competencies	Partially consistent
Assessing the readiness for change	Partially consistent
Assessing the results of change	Partially consistent

Source: GAO analysis of Department of Veterans Affairs' Financial Management Business Transformation (FMBT) program documentation. | [GAO-22-105059](#)

The FMBT program's data conversion activities were consistent with leading practices for the NCA and VBA deployments. But the conversion timing caused issues for some users, including impacts to productivity and lengthy work-arounds. The program's independent verification and validation team previously recommended that the program be aware of potential risks to a midyear conversion and proactively mitigate these risks for NCA. However, officials accepted the risks and said conversions during the year are necessary if VA is to implement iFAMS throughout the department in a reasonable amount of time. The program has planned some actions to address issues users faced, but its risk and issue register does not include or address the conversion timing risks, such as user issues or those associated with the number and types of transactions and balances converted. Mitigating conversion timing risks and issues is especially important for future deployments, some of which are scheduled even later in the year and will impact more users.