

GAO Highlights

Highlights of [GAO-23-106845](#) a testimony before the Subcommittee on Technology Modernization, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

VA spends billions of dollars annually on IT that supports delivery of benefits and health care to veterans. VA continues to face long-standing challenges managing its IT projects, including the department's multibillion dollar electronic health record modernization initiative. In 2015, GAO added VA health care to its High-Risk List due, in part, to these challenges. In 2019, GAO also added VA acquisition management to its High-Risk List.

This statement discusses (1) trends in VA IT contracting, and (2) oversight of VA IT procurements. It is based on GAO's [December 2022](#) report on trends and competition in VA IT contracting and GAO's [March 2023](#) report on VA's IT management. Details about the scope and methodology for published GAO reports are included in those products.

What GAO Recommends

In its March 2023 report on VA's IT management, GAO recommended that VA implement automated controls into relevant contracting systems to ensure CIO review of IT procurements. VA concurred with the recommendation. Since 2010, VA has implemented 24 recommendations GAO made to address health care IT challenges. Twenty-two recommendations remain open, including fifteen related to electronic health record modernization. Since 2015, VA has also implemented 38 recommendations GAO made related to acquisition management, and 22 recommendations remain open.

View [GAO-23-106845](#) For more information, contact Shelby S. Oakley at (202) 512-4841 or oakleys@gao.gov.

May 24, 2023

VETERANS AFFAIRS

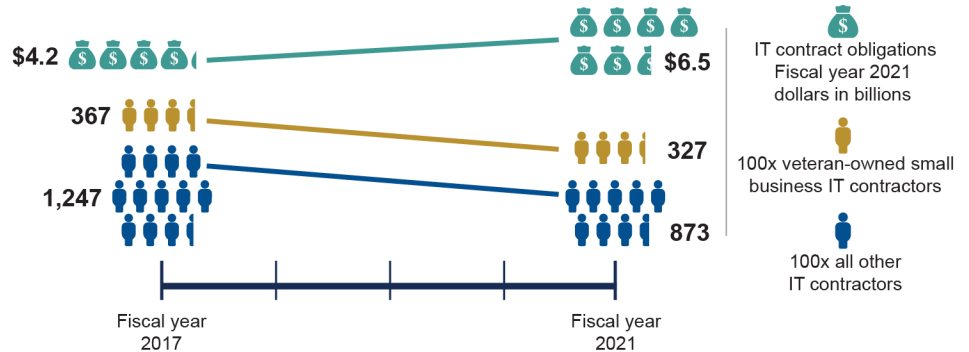
Observations on IT Contracting Trends and Management Oversight

What GAO Found

The Department of Veterans Affairs (VA) depends on critical underlying IT systems to manage benefits and provide care to millions of veterans and their families. From fiscal years 2017 through 2021, VA obligated over \$25 billion to procure a range of IT products and services—among the highest IT obligations in the federal government—primarily through its Technology Acquisition Center.

During this period, VA has obligated more on IT, but to fewer contractors. In December 2022, GAO found that from fiscal years 2017 through 2021, VA's total IT obligations increased by more than half. At the same time, the number of contractors receiving awards decreased by more than a quarter. GAO also found that VA's competition rate for IT contracting was lower than for non-IT, but in line with IT contracting at other federal agencies.

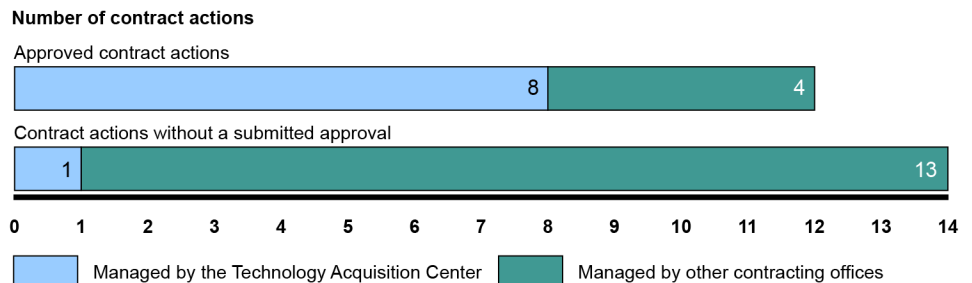
VA's IT Contract Obligations Increased as Number of Contractors Decreased



Source: GAO analysis of Federal Procurement Data System data as of May 2022. | GAO-23-106845

VA's procurement of IT-related assets often has not received appropriate oversight by VA's Chief Information Officer (CIO). In March 2023, GAO did not find evidence of CIO approval for 39 percent of new IT contract actions awarded between March 2018 and September 2021. GAO also found that 14 of 26 selected fiscal year 2021 contract actions did not have CIO approvals.

Most Selected Fiscal Year 2021 VA IT Contract Actions Did Not Have CIO Approvals



Source: GAO analysis of Department of Veterans Affairs contract data. | GAO-23-106845

According to VA officials, their contracting systems did not have an automated control reminding contracting officers to route such actions for CIO review. The lack of visibility into IT procurement limits the CIO's opportunity to provide input.