

## Why GAO Did This Study

Since 2001, the National Archives and Records Administration (NARA) has been working to develop an Electronic Records Archive (ERA) to preserve and provide access to massive volumes of all types of electronic records. NARA originally planned to complete the system in 2012, but has repeatedly revised the program schedule and estimated cost and is now planning to deploy an ERA system with reduced functionality by the end of fiscal year 2011. As required by the Consolidated Appropriations Act, 2010, and the Continuing Appropriations Act, 2011, NARA submitted an expenditure plan to Congress to support its request for fiscal year 2011 ERA funding. The legislation also requires that this plan meet six conditions, including review by GAO. GAO's objectives in reviewing the fiscal year 2011 plan were to (1) determine whether the plan satisfies legislative conditions, (2) determine the extent to which NARA has implemented prior GAO recommendations, and (3) provide any other observations on the plan or the ERA acquisition. To do this, GAO reviewed the expenditure plan and other agency documents and interviewed NARA officials.

## What GAO Recommends

Congress should consider limiting funding of further ERA development until NARA addresses weaknesses in its oversight and management of the acquisition. GAO is also recommending actions for NARA to take to address these weaknesses. NARA concurred with GAO's recommendations.

## ELECTRONIC GOVERNMENT

### National Archives and Records Administration's Fiscal Year 2011 Expenditure Plan

## What GAO Found

NARA's fiscal year 2011 expenditure plan satisfies four of the six legislative conditions and partially satisfies two. Specifically, it partially satisfies the condition that NARA meet requirements for reviewing the progress of capital investments, such as ERA. While NARA has held regular meetings with senior-level agency management to review ERA progress, these groups did not document approval of important schedule and scope changes, and NARA did not validate the estimated benefits and costs of deployed ERA capabilities. Further, NARA partially satisfies the condition that the expenditure plan be approved by NARA and the Office of Management and Budget (OMB). NARA approved the expenditure plan in October 2010, but the plan was not approved by OMB. Without approval from OMB, Congress will have limited assurance of the plan's reliability and accuracy.

NARA has fully implemented one of GAO's four prior recommendations and partially implemented three. It implemented a recommendation to ensure that ERA's requirements are managed using a disciplined process by, for example, developing a process to keep requirements current. NARA partially implemented three other recommendations. First, to improve its executive-level oversight, NARA documented meetings to review ERA progress, but did not document approval of important changes to a recent phase, or increment, of the system. Second, NARA added information in its expenditure plan on ERA cost, schedule, and performance as recommended, but the plan lacks other key information, such as the estimated costs of an ongoing increment. Third, NARA documented a plan to strengthen its processes for measuring program progress, but continues to have weaknesses in this area, including not accurately portraying ERA program status.

GAO has three observations on the expenditure plan and ERA acquisition:

- The fiscal year 2011 expenditure plan does not provide a reliable basis for informed investment decision making. For example, NARA's cost estimates do not reliably reflect the work to be completed because of weaknesses in its supporting methodology, and the plan does not clearly show what functionality is planned to be delivered in the final year of development, by when, and at what cost.
- NARA's expenditure plan does not address how remaining multiyear funds from fiscal year 2010 will be allocated. Specifically, NARA's plans for using the remaining \$20.1 million are not discussed in the plan.
- Although NARA recently updated the ERA requirements, the agency has not yet determined which of the requirements would be addressed before the end of development in fiscal year 2011 and has not fully prioritized the requirements to ensure that critical stakeholder needs will be met.

Without a reliable expenditure plan and adequate management of the ERA acquisition, it is unclear whether NARA can make substantial progress in delivering additional system capabilities by the end of fiscal year 2011 to justify its planned investment.