

GAO Highlights

Highlights of [GAO-17-263T](#), 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 is likely to invest more than \$89 billion on IT in fiscal year 2017. Historically, these investments have frequently failed, incurred cost overruns and schedule slippages, or contributed little to mission-related outcomes. Accordingly, in December 2014, IT reform legislation was enacted, aimed at improving agencies' acquisitions of IT. Further, in February 2015, GAO added improving the management of IT acquisitions and operations to its high-risk list. Between fiscal years 2010 and 2015, GAO made about 800 recommendations related to this high-risk area to OMB and agencies.

This statement summarizes agencies' progress in improving the management of IT acquisitions and operations. To do so, we reviewed and summarized GAO's prior and recently published work on (1) data center consolidation, (2) risk levels of major investments as reported on OMB's IT Dashboard, and (3) implementation of incremental development practices.

What GAO Recommends

GAO has previously made numerous recommendations to OMB and federal agencies to improve the oversight and execution of the data center consolidation initiative, the accuracy and reliability of the IT Dashboard, and incremental development policies. Most agencies agreed with GAO's recommendations or had no comments. GAO will continue to monitor agencies' implementation of these recommendations.

View [GAO-17-263T](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.

December 6, 2016

INFORMATION TECHNOLOGY

Improved Implementation of Reform Law Is Critical to Better Manage Acquisitions and Operations

What GAO Found

The Office of Management and Budget (OMB) and federal agencies have taken steps to improve federal information technology (IT) through a series of initiatives and, as of October 2016, had fully implemented about 46 percent of the approximately 800 related recommendations made by GAO (a 23 percent increase compared to the percentage reported in 2015). However, additional actions are needed.

- **Consolidating data centers.** In an effort to reduce the growing number of data centers, OMB launched a consolidation initiative in 2010. GAO reported in March 2016 that agencies had closed 3,125 of the 10,584 total data centers and achieved \$2.8 billion in cost savings and avoidances through fiscal year 2015. Agencies are planning a total of about \$8.2 billion in savings and avoidances through fiscal year 2019. GAO recommended that the agencies take actions to meet their cost savings targets and improve optimization progress related to their data center consolidation and optimization efforts. Most agencies agreed with the recommendations or had no comment.
- **Enhancing transparency.** OMB's IT Dashboard provides detailed information on major investments at federal agencies, including ratings from Chief Information Officers (CIO) that should reflect the level of risk facing an investment. GAO reported in June 2016 that agencies had not fully considered risks when rating their major investments on the IT Dashboard. In particular, of the 95 investments reviewed, GAO's assessments of risks matched the CIO ratings 22 times, showed more risk 60 times, and showed less risk 13 times. Several issues contributed to these differences, such as CIO ratings not being updated frequently. GAO recommended that agencies improve the quality and frequency of their ratings. Most agencies generally agreed with or did not comment on the recommendations.
- **Implementing incremental development.** A key reform initiated by OMB has emphasized the need for federal agencies to deliver investments in smaller parts, or increments, in order to reduce risk and deliver capabilities more quickly. Since 2012, OMB has required investments to deliver functionality every 6 months. In August 2016, GAO reported that 22 agencies had reported that 64 percent of 469 active software development projects planned to deliver usable functionality every 6 months for fiscal year 2016. Further, for 7 selected agencies, GAO identified significant differences in the percentages of software projects reported to GAO as delivering functionality every 6 months, compared to what was reported on the IT Dashboard. This was due to, among other things, inconsistencies in agencies' reporting on non-software development projects, and the timing of reporting data. GAO made 12 recommendations to 7 agencies and OMB to improve the reporting of incremental data on the IT Dashboard and the policies for CIO certification of adequate incremental development. Most agencies agreed or did not comment on our recommendations, and OMB did not agree or disagree.