



Highlights of [GAO-07-844](#), a report to congressional requesters.

VETERANS AFFAIRS

Continued Focus on Critical Success Factors Is Essential to Achieving Information Technology Realignment

Why GAO Did This Study

The Department of Veterans Affairs (VA) spends nearly \$1 billion yearly to support its information technology (IT) needs; yet it has encountered persistent challenges in managing IT projects. In October 2005, VA initiated a realignment to centralize its IT management program that it plans to complete by July 2008. GAO was requested to determine (1) whether the department's realignment plan includes critical factors for successful implementation and (2) how the centralized management approach is to ensure that the chief information officer (CIO) is accountable for the department's entire IT budget. To do so, GAO identified critical success factors, analyzed realignment and budget documents, and held discussions with VA officials.

What GAO Recommends

GAO is making several recommendations to VA, including that it dedicate an implementation team to manage change, expedite development of performance metrics, and establish a schedule for implementing management processes. Commenting on a draft of this report, VA generally concurred with GAO's recommendations and described actions to address them.

www.gao.gov/cgi-bin/getrpt?GAO-07-844.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Valerie C. Melvin at (202) 512-6304 or melvin@gao.gov.

What GAO Found

VA's plans for realigning the management of its IT program include elements of several factors that GAO identified as critical to the department's implementation of a centralized structure; additional departmental actions could increase assurance that the realignment will be completed successfully (see table). Since undertaking the realignment, VA has concentrated its efforts on transferring approximately 6,000 staff to the CIO's authority and on creating a new organizational structure. It has also taken certain actions to establish an IT governance plan, identify workforce management responsibilities, and increase communication about the realignment with staff. However, it has not yet created a knowledge and skills inventory to help determine proper roles for all employees in the new organization, established governance boards to manage resources, or dedicated an implementation team to manage change and track the progress of the realignment with performance metrics. As a result, the department risks jeopardizing the success of its efforts and may not realize the long-term benefits of the realignment.

Summary of VA's Actions Addressing Critical Success Factors

Critical success factor	Addressed	Progress
Ensuring commitment from top leadership	yes	Secretary approved the new IT organization structure and the transfer of employees
Establishing a governance structure to manage resources	partially	Secretary approved the IT governance plan but VA has not established governance boards or process descriptions for centrally managing IT
Linking IT strategic plan to organization strategic plan	no	VA has not yet updated its IT strategic plan to reflect the new organization but has established a date by which it intends to update the plan
Using workforce strategic management to identify proper roles for all employees	partially	VA has identified workforce management responsibilities but has not established a knowledge and skills inventory
Communicating change to all stakeholders	partially	VA has addressed staff concerns about the realignment through memorandums and conferences but has not fully staffed offices that will facilitate communication
Dedicating an implementation team to manage change	no	VA does not plan to establish a realignment implementation team

Source: GAO.

Within the new structure, the CIO is to have responsibility for ensuring that there are fiscal controls over the IT appropriation and for overseeing capital planning processes, budget execution, and financial management programs. According to the department, it plans to establish the CIO's control by (1) designating organizations with specific roles and responsibilities for controlling the budget to report directly to the CIO; (2) implementing a governance structure that assigns budget oversight responsibilities to specific governance boards; and (3) developing and implementing IT portfolio management and financial management processes. While these measures show the potential for establishing control of the budget, VA has not yet fully implemented them or committed to a time frame for doing so. Thus, their effectiveness in ensuring the CIO's accountability for the budget has not yet been established.