



Highlights of [GAO-08-449T](#), a testimony before the Subcommittee on Oversight and Investigations, House Committee on Veterans' Affairs

## Why GAO Did This Study

The use of information technology (IT) is crucial to the Department of Veterans Affairs' (VA) mission to promote the health, welfare, and dignity of all veterans in recognition of their service to the nation. In this regard, the department's fiscal year 2009 budget proposal includes about \$2.4 billion to support IT development, operations, and maintenance. VA has, however, experienced challenges in managing its IT projects and initiatives, including cost overruns, schedule slippages, and performance problems. In an effort to confront these challenges, the department is undertaking a realignment to centralize its IT management structure.

This testimony summarizes the department's actions to realign its management structure to provide greater authority and accountability over its IT budget and resources and the impact of these actions to date.

In developing this testimony, GAO reviewed previous work on the department's realignment and related budget issues, analyzed pertinent documentation, and interviewed VA officials to determine the current status and impact of the department's efforts to centralize the management of its IT budget and operations.

## INFORMATION TECHNOLOGY

### VA Has Taken Important Steps to Centralize Control of Its Resources, but Effectiveness Depends on Additional Planned Actions

#### What GAO Found

As part of its IT realignment, VA has taken important steps toward a more disciplined approach to ensuring oversight of and accountability for the department's IT budget and resources. For example, the department's chief information officer (CIO) now has responsibility for ensuring that there are controls over the budget and for overseeing all capital planning and execution, and has designated leadership to assist in overseeing functions such as portfolio management and IT operations. In addition, the department has established and activated three governance boards to facilitate budget oversight and management of its investments. Further, VA has approved an IT strategic plan that aligns with priorities identified in the department's strategic plan and has provided multi-year budget guidance to achieve a more disciplined approach for future budget formulation and execution.

While these steps are critical to establishing control of the department's IT, it remains too early to assess their overall impact because most of the actions taken have only recently become operational or have not been fully implemented. Thus, their effectiveness in ensuring accountability for the resources and budget has not yet been clearly established. For example, according to Office of Information and Technology officials, the governance boards' first involvement in budget oversight only recently began (in May 2007) with activities to date focused primarily on formulation of the fiscal year 2009 budget and on execution of the fiscal year 2008 budget. Thus, none of the boards has yet been involved in all aspects of the budget formulation and execution processes and, as a result, their ability to help ensure overall accountability for the department's IT appropriations has not yet been fully established. In addition, because the multi-year programming guidance is applicable to future budgets (for fiscal years 2010 through 2012), it is too early to determine VA's effectiveness in implementing this guidance. Further, VA is in the initial stages of developing management processes that are critical to centralizing its control over the budget. However, while the department had originally stated that the processes would be implemented by July 2008, it now indicates that implementation across the department will not be completed until at least 2011. Until VA fully institutes its oversight measures and management processes, it risks not realizing their contributions to, and impact on, improved IT oversight and accountability within the department.