DOD SYSTEMS MODERNIZATION

Management of Integrated Military Human Capital Program Needs Additional Improvements

Why GAO Did This Study

The Department of Defense (DOD) has long-standing problems with its information technology (IT) systems supporting military personnel and pay. To address these problems, DOD initiated the Defense Integrated Military Human Resources System (DIMHRS) program, which is to provide a joint, integrated, standardized military personnel and pay system across all military components. In November 2004, DOD accepted the design for the first of three phases, DIMHRS (Personnel/Pay). GAO reviewed DOD's management of the requirements definition for the system as well as the program's management structure.

What GAO Recommends

To assist DOD and increase its chances of successfully delivering DIMHRS (Personnel/Pay), GAO is making recommendations to the Secretary of Defense to strengthen DOD's requirements-management processes and adopt an integrated approach to program management. In commenting on a draft of this report, DOD agreed or partially agreed with three of GAO's recommendations and partially disagreed with the remaining three. The department added that it agreed with the general thrust of all the recommendations but believed that it was already performing some. GAO supports DOD's commitment to follow the management principles that the recommendations espouse.

What GAO Found

DOD faces significant management challenges with DIMHRS, a major system acquisition program that is expected to lead to major changes in the processing of military personnel and pay. To its credit, DOD has begun taking steps to ensure that the requirements and the design for the first phase of the program are consistent with each other by tracing backward and forward between the detailed requirements and the system design, and it did obtain formal user acceptance of the DIMHRS (Personnel/Pay) high-level requirements. However, it has not obtained user acceptance of the detailed requirements. Furthermore, it has not ensured that the detailed requirements are complete and understandable. For example, requirements for the interfaces between DIMHRS (Personnel/Pay) and existing systems have not yet been fully defined because DOD has not yet determined how many legacy systems will be partially replaced and thus require modification. Furthermore, DOD is still determining whether the data requirements provided to the contractor for system design are complete. Finally, an estimated 77 percent of the detailed requirements are difficult to understand, based on GAO's review of a random sample of the requirements documentation. These challenges increase the risk that the delivered system capabilities will not fully meet the users' needs.

Moreover, although DIMHRS (Personnel/Pay) is to be an integrated system, its development is not being governed by integrated tools and approaches, such as an integrated program management structure, enterprise architecture, and master schedule. Furthermore, while DOD is appropriately attempting to maximize the use of commercial, off-the shelf (COTS) products in building the new system, it has not adequately followed some important best practices associated with COTS-based system acquisitions. For example, DOD's program plan/schedule does not adequately recognize the needs of end-user organizations for the time and resources to integrate DIMHRS (Personnel/Pay) with their respective legacy systems and to prepare their workforces for the organizational changes that the system will introduce.

DOD's requirements definition challenges and shortcomings in program governance can be attributed to a number of causes, including the program's overly schedule-driven approach and DOD's difficulty in overcoming its long-standing cultural resistance to departmentwide solutions. Unless these challenges are addressed, the risk is increased that the system will not provide expected capabilities and benefits on time and within budget. Given the limitations in some DOD components' ability to accurately pay military personnel, it is vital that these risks be addressed swiftly and effectively.