



Highlights of [GAO-06-658](#), a report to congressional committees

Why GAO Did This Study

For decades, the Department of Defense (DOD) has not been successful in repeated attempts to modernize its business systems and operations. To assist DOD, Congress included provisions in the Fiscal Year 2005 Ronald W. Reagan National Defense Authorization Act that were consistent with GAO's recommendations for developing a business enterprise architecture and associated enterprise transition plan and establishing and implementing effective information technology (IT) business system investment management structures and processes. The Act further requires that the Secretary of Defense submit an annual report to congressional defense committees on its compliance with certain requirements of the Act not later than March 15 of each year from 2005 through 2009. In response to the Act's mandate, GAO assessed the actions by DOD to comply with the requirements of the Act and determined the extent to which DOD has addressed GAO's prior recommendations.

What GAO Recommends

GAO is recommending that the department submit its enterprise architecture program management plan to defense congressional committees. DOD commented that GAO's findings are fair, and it expressed general agreement with GAO's recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-06-658.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Randolph C. Hite at (202) 512-3439 or hiter@gao.gov.

BUSINESS SYSTEMS MODERNIZATION

DOD Continues to Improve Institutional Approach, but Further Steps Needed

What GAO Found

As part of DOD's incremental strategy for developing and implementing its architecture, transition plan, and accountability framework for managing business systems, the department has taken steps over the last 6 months to address a number of the areas that GAO previously reported as falling short of the Act's requirements. However, additional steps are needed to fully comply with the Act and relevant guidance. For example,

- The architecture identifies an enterprisewide data standard to support financial management and reporting functions. However, the data elements—such as those associated with the planning, programming, and budgeting business process—are not yet part of the architecture.
- The enterprise transition plan now includes an initiative aimed at identifying capability gaps between the “As Is” and “To Be” architectural environments, and DOD continues to validate the inventory of ongoing IT investments that formed the basis for the prior version of the transition plan. However, the plan does not include, among other things, a complete listing of the legacy systems that will not be part of the target architecture, and it does not include system investment information for all of the department's agencies and combatant commands.
- The department's fiscal year 2007 IT budget submission was prepared using a system that was reconciled with DOD's single authoritative system inventory. This should improve the reliability of the budget submission.
- The IT investment management structures and processes that DOD previously defined are being refined and implemented across the department. However, the investment review board that is to focus on IT infrastructure and information assurance investments has still not been established.

DOD has also taken steps to address 29 prior GAO recommendations to strengthen the management of its business systems modernization through the adoption of enterprise architecture and investment management best practices. As a result of DOD's actions, 16 of the recommendations have now been implemented and 13 are in the process of being implemented.

Notwithstanding DOD's incremental strategy for improving its institutional approach to business systems modernization and complying with the Act, the department has yet to create or establish milestones for developing an enterprise architecture program management plan that defines, among other things, what the increments of improvement are, and how and when they will be accomplished, with particular emphasis and clarity around the near-term increments. It is important for the department to develop this plan as soon as possible because without it, the department is less likely to accomplish intended improvements and the Congress does not have the means to measure progress and hold the department accountable for doing so.