



Highlights of [GAO-06-219](#), a report to congressional committees

## Why GAO Did This Study

For many years, the Department of Defense (DOD) has been attempting to modernize its business systems, and GAO has made numerous recommendations to help it do so. To further assist DOD, Congress included provisions in the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 aimed at ensuring that DOD develop a well-defined business enterprise architecture and transition plan by September 30, 2005, as well as establish and implement effective structures and processes for managing information technology (IT) business system investments.

In response to the act's mandate, GAO is reporting on DOD's compliance with requirements relating to DOD's architecture, transition plan, budgetary disclosure, and business system review and approval structures and processes. Given GAO's existing recommendations, it is not making additional recommendations at this time. In comments on a draft of this report, DOD recognized that GAO has been a constructive player in its business transformation efforts. While not specifically commenting on most of the report's findings and its conclusions, DOD also said that it disagreed with two points: the level of development for its "As Is" architecture and instances of nonintegration within the architecture and transition plan. However, it also commented that it is committed to addressing what GAO views to be the underlying basis of both points.

[www.gao.gov/cgi-bin/getrpt?GAO-06-219](http://www.gao.gov/cgi-bin/getrpt?GAO-06-219).

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](mailto:hiter@gao.gov).

# DOD BUSINESS SYSTEMS MODERNIZATION

## Important Progress Made in Establishing Foundational Architecture Products and Investment Management Practices, but Much Work Remains

### What GAO Found

In its efforts to comply with the act's provisions, DOD has made important progress in establishing needed modernization management capabilities.

However, much more remains to be done.

- The latest version of the business enterprise architecture (Version 3.0), which the department approved on September 28, 2005, partially satisfies the conditions of the act, but not entirely. For example, while Version 3.0 includes a target or "To Be" architecture, as required, it does not include a current ("As Is") architecture. Without this element, DOD could not analyze the gaps between the two architectures—critical input to a comprehensive transition plan. However, this version of the architecture represents significant progress and provides a foundation upon which the department can build.
- The transition plan associated with the current version of the architecture partially satisfies the act, but improvements are needed. Specifically, although it includes certain required information (such as milestones for major projects), it is inconsistent with the architecture in various ways. For instance, it identifies target systems (those that are to be included in the "To Be" architecture), but these are not always the same as those identified in the architecture itself. In addition, the transition plan does not include system performance metrics aligned with the plan's strategic goals and objectives.
- The department's fiscal year 2006 budget discloses some but not all required information. For example, it does not identify the approval authority for all business systems investments.
- DOD has satisfied some of the act's requirements regarding its business systems investments, but it either has not satisfied or is still in the process of satisfying others. For example, the department has fulfilled the act's requirement for delegating IT system responsibility and accountability to designated approval authorities as specified. In addition, DOD has largely satisfied the act's requirement to establish certain structures and define certain processes to review and approve IT investments. However, some of these structures are not yet in place, and some reviews and approvals to date have not followed the criteria in the act.

DOD agrees that additional work is required and states that under its incremental approach to developing the architecture and transition plan, and under its tiered accountability structure for reviewing and approving business system investments, improvements will occur in its architecture, transition plan, budgetary disclosure, and investment management and oversight. If these improvements do not occur, DOD's business systems modernization will continue to be a high-risk program.