



Highlights of [GAO-09-586](#), a report to congressional committees

Why GAO Did This Study

Since 1995, GAO has designated the Department of Defense's (DOD) business systems modernization program as high risk, and it continues to do so today. To assist in addressing DOD's business system modernization challenges, the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (the Act) contains provisions that require the department to take certain actions and to annually report to its congressional committees on these actions. The Act also directs GAO to review each annual report. In response, GAO performed its fifth annual review of DOD's actions to comply with key aspects in the Act and related federal guidance. To do so, GAO reviewed, for example, the latest version of DOD's business enterprise architecture (BEA) and transition plan, investment management policies and procedures, and information in the department's business system data repositories.

What GAO Recommends

Because GAO has existing recommendations that address most of the weaknesses discussed in this report, it reiterates these recommendations and further recommends that DOD resolve the issues surrounding key modernization management positions and the quality of investment-related information. DOD partially agreed with GAO's recommendations and described either commitments or actions being planned or under way to partially address them.

View [GAO-09-586](#) or [key components](#). For more information, contact Randolph C. Hite at (202) 512-3439 or hiter@gao.gov.

DOD BUSINESS SYSTEMS MODERNIZATION

Recent Slowdown in Institutionalizing Key Management Controls Needs to Be Addressed

What GAO Found

The pace of DOD's progress in defining and implementing key institutional modernization management controls has slowed compared with progress made in each of the last 4 years, leaving much still to be accomplished to fully implement the Act's requirements and related guidance. In particular,

- The corporate BEA continues to evolve and address previously identified missing elements, inconsistencies, and usability issues, but gaps still remain. For example, while the BEA now identifies information assurance laws, regulations, and policies, it still does not include business rules for all business processes. Further, little progress has been made in the last year in extending (i.e., federating) the BEA to the entire family of business mission area architectures, including using an independent verification and validation agent to assess the components' subsidiary architectures and federation efforts.
- The updated enterprise transition plan continues to identify systems and initiatives, but important elements are still missing, as are individual component plans. For example, while the plan provides a range of information, such as budgets and performance measures, for key enterprisewide and component-specific investments, it is missing information on identified investments.
- The fiscal year 2009 budget submission included some, but omitted other, key information about business system investments, in part because of the lack of a reliable comprehensive inventory of all defense business systems.
- Investment approval and accountability structures have been established for DOD and the Air Force, and related policies and procedures that are consistent with relevant guidance have been partially defined. However, these structures and processes are still lacking for the Navy.
- Business system investments costing over \$1 million continue to be certified and approved, but these decisions are not always based on complete information. For example, key Navy investments have not fully demonstrated compliance with the department's BEA, and their economic justifications were not based on reliable estimates of cost and benefits. In addition, the information in DOD's authoritative repository of system investments that is used to make these decisions is not always accurate.

Department officials attributed this slowdown in large part to pending decisions surrounding the roles, responsibilities, authorities, and relationships among key senior leadership positions, such as DOD's Deputy Chief Management Officer and the military departments' Chief Management Officers. Until DOD fully implements these long-standing institutional modernization management controls provided for under the Act, addressed in GAO recommendations, and otherwise embodied in relevant guidance, its business systems modernization will likely remain a high-risk program. As a result, it is important that the department act quickly to resolve pending decisions about key positions.