

Highlights of [GAO-12-580T](#), a testimony before the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, Committee on Appropriations, House of Representatives

Why GAO Did This Study

The Department of Housing and Urban Development (HUD) performs a range of significant home ownership and community development missions that are integral to the U.S. economy. In doing so, HUD relies extensively on information technology (IT). However, HUD's IT environment has not effectively supported its business operations, and as a result, the department has been working to modernize its IT infrastructure. To provide oversight and inform decision-making, Congress required that HUD develop and submit plans describing how it intends to use its expenditures to support its modernization efforts. In addition, Congress required GAO to review these expenditure plans to determine if they meet statutory conditions.

GAO was asked to testify on HUD's progress in implementing its prior recommendations on (1) modernizing its IT systems and (2) improving its expenditure plans. In preparing this statement, GAO relied on previous work at HUD.

What GAO Recommends

GAO is not making new recommendations. As noted, GAO has previously made recommendations aimed at assisting HUD in fully implementing key IT management controls.

View [GAO-12-580T](#). For more information, contact Valerie C. Melvin at (202) 512-6304 or melvinv@gao.gov.

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HUD INFORMATION TECHNOLOGY

More Work Remains to Implement Necessary Management Controls

What GAO Found

HUD has made progress in implementing prior GAO recommendations on modernizing its IT environment; however more actions are needed. In 2009, GAO reported that HUD lacked key IT management controls; which are essential to achieving successful outcomes. Specifically,

- Although the department had established an IT strategic plan that outlined goals and performance measures, it had not assessed its performance against established goals. As a result, HUD did not know how well it was achieving its goals and where it needed to improve.
- While the department had established policies and procedures for developing a complete portfolio of its investments, it had not established policies and procedures for evaluating that portfolio. This meant that it was limited in its ability to control risks and achieve benefits associated with the mix of legacy systems and modernization investments it selected.
- HUD's Office of the Chief Information Officer had not adequately assessed its IT workforce needs, inventoried existing staff knowledge and skills, and identified gaps between needs and existing capabilities. As a result, the department was not well positioned to acquire the skill sets it needed.
- The department had not fully developed its enterprise architecture (EA)—which provides a blueprint for investing that connects strategic plans with individual programs and system solutions. This meant that HUD lacked a sufficient basis for guiding and directing its modernization projects.

GAO made a number of recommendations to HUD aimed at strengthening its management capabilities, and while progress has been made in addressing them, work remains. For example, HUD issued a department-wide strategic plan with associated goals that aligned with new IT strategic goals. However, the department had not developed criteria for assessing the performance of its portfolios, finalized its plan to address its IT workforce needs, or established an approved policy for its enterprise architecture.

HUD's modernization expenditure plans, which are to describe how the agency plans to spend IT modernization funding, have improved in response to GAO's recommendations. These plans are to meet statutory conditions that include identifying, for each modernization project, capabilities to be delivered, expected benefits, estimated costs, and key milestones; and showing that each project is supported by adequate staff, conforms to capital planning and investment control requirements, complies with the department's EA, and is being managed in accordance with department lifecycle management policies. GAO found that HUD's 2010 expenditure plan contained weaknesses and thus was limited as a congressional oversight and decision-making mechanism. Accordingly, GAO recommended, among other things, that the department ensure future plans satisfied each element of the statutory conditions. In response, subsequent expenditure plans submitted in 2011 and 2012 satisfied the conditions. As a result, these more recent plans have provided key information needed for continued oversight of the modernization projects.