

GAO Highlights

Highlights of [GAO-14-152](#), a report to congressional requesters

Why GAO Did This Study

The Department of Defense (DOD) has stated that the development and implementation of DEAMS is critical to the department's goal of producing auditable financial statements by September 2017. In October 2010, GAO reported that although the Air Force had developed a cost estimate that met best practices, it had not developed a schedule that met best practices for implementing DEAMS. GAO has published guides that identify the characteristics and associated best practices for developing reliable schedule and cost estimates. GAO was asked to review the schedule and cost estimates for selected DOD systems. This report addresses the extent to which the current schedule and cost estimates for DEAMS were prepared in accordance with GAO's Schedule and Cost Guides.

Specifically, GAO's review focused on the schedule and cost estimates that supported DOD's February 2012 Milestone B decision, which determined that investment in DEAMS was justified. GAO assessed the schedule and cost estimates and supporting documentation. GAO also assessed an updated schedule dated October 2012. GAO interviewed DEAMS program officials, lead schedulers, and cost estimators.

What GAO Recommends

GAO recommends that the Secretary of the Air Force update the cost estimate as necessary after implementing GAO's prior recommendation to adopt scheduling best practices. DOD concurred with the recommendation.

View [GAO-14-152](#). For more information, contact Asif A. Khan at (202) 512-9869 or khana@gao.gov and Nabajyoti Barkakati at (202) 512-4499 or barkakatin@gao.gov.

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DOD BUSINESS SYSTEMS MODERNIZATION

Air Force Business System Schedule and Cost Estimates

What GAO Found

The Air Force's schedule that supported the February 2012 Milestone B decision for the Defense Enterprise Accounting and Management System (DEAMS) did not meet best practices. The cost estimate did meet best practices, but the issues associated with the schedule could negatively affect the cost estimate. GAO found that the schedule supporting the Air Force's decision to invest in DEAMS partially or minimally met the four characteristics for developing a high-quality and reliable schedule. For example, the schedule did not reflect all government and contractor activities, and resources were not assigned to specific activities. The schedule also lacked a valid critical path, preventing management from focusing on the activities most likely to cause critical program delays if they are not completed as planned. In addition, a schedule risk analysis was not conducted to predict a level of confidence in meeting the program's completion date.

Extent DEAMS Schedule Met Best Practices

Characteristic	Assessment
Comprehensive	Partially met
Well-constructed	Partially met
Credible	Minimally met
Controlled	Partially met

Source: GAO analysis based on information provided by the Air Force.

GAO found that the October 2012 updated schedule estimate was not comprehensive, well-constructed, and credible, and contained weaknesses similar to those found in the previous schedule. In May 2013, program officials provided a third schedule that they said contained some improvements but acknowledged that issues remained that prevented the schedule from meeting best practices.

GAO found that the DEAMS cost estimate fully or substantially met the four characteristics of a high-quality and reliable cost estimate. For example, the cost estimate included both government and contractor costs for the program over its life cycle and provided for an independent assessment and reconciliation. Because the cost estimate relies on dates derived from the schedule and GAO is questioning the reliability of the schedule, the credibility of the cost estimate could be affected.

Extent DEAMS Cost Estimate Met Best Practices

Characteristic	Assessment
Comprehensive	Fully met
Well-documented	Substantially met
Accurate	Substantially met
Credible	Substantially met

Source: GAO analysis based on information provided by the Air Force.