

Highlights of [GAO-11-511T](#), a testimony before the Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, Committee on Homeland Security and Government Affairs, U.S. Senate

## Why GAO Did This Study

The federal government anticipates spending \$79 billion on information technology (IT) in fiscal year 2011. The Office of Management and Budget (OMB) plays a key role in overseeing the implementation and management of federal IT investments. Given the size of these investments and their importance to the health, economy, and security of the nation, it is critical for OMB and federal agencies to provide appropriate program oversight and ensure adequate transparency. Over the past several years, GAO has issued a number of reports and testimonies on OMB's initiatives to improve troubled projects, justify IT investments, and use project management tools. Partly in response to this prior work, in 2009 OMB deployed a public Web site—known as the IT Dashboard—that provides detailed information on approximately 800 major federal IT investments, including assessments of these investments' performance against cost and schedule targets (referred to as ratings).

GAO was asked to testify on OMB's key efforts to improve the oversight and management of federal IT investments through the use of the Dashboard and other efforts. To prepare this statement, GAO drew on previously published work on IT investments, including OMB's Dashboard, agencies' oversight boards, and agencies' use of project management tools.

View [GAO-11-511T](#) or key components. For more information, contact David A. Powner at (202) 512-9286 or [pownerd@gao.gov](mailto:pownerd@gao.gov).

April 12, 2011

## INFORMATION TECHNOLOGY

### Continued Improvements in Investment Oversight and Management Can Yield Billions in Savings

## What GAO Found

OMB has improved the oversight and management of IT investments through multiple initiatives. By establishing the IT Dashboard, OMB has drawn additional attention to over 300 troubled IT investments at federal agencies, totaling \$20 billion, which is an improvement from the previously used oversight mechanisms. The Federal Chief Information Officer (CIO) recognized that the Dashboard has increased the accountability of agency CIOs and established much-needed visibility into investment performance. However, GAO has found that the data on the Dashboard are not always accurate. Specifically, in reviews of selected investments from 10 agencies, GAO found that the Dashboard ratings were not always consistent with agency cost and schedule performance data. In these reports GAO made a number of recommendations to OMB and federal agencies to improve the accuracy of Dashboard ratings. Agencies agreed with these recommendations, while OMB agreed with all but one. Specifically, OMB disagreed with the recommendation to change how it reflects current investment performance in its ratings because Dashboard data are updated on a monthly basis. However, GAO maintained that current investment performance may not always be as apparent as it should be; while data are updated monthly, ratings include historical data, which can mask more recent performance.

In addition to the Dashboard, beginning in January 2010 the Federal CIO began leading reviews—known as “TechStat” sessions—of selected IT investments involving OMB and agency leadership to increase accountability and transparency and improve performance. OMB officials stated that, as of December 2010, 58 sessions had been held and resulted in improvements to or termination of IT investments with performance problems. For example, the June 2010 TechStat session for a National Archives and Records Administration investment resulted in the halting of development funding pending the completion of a strategic plan. In addition, OMB identified 26 additional high-priority IT projects and plans to develop corrective action plans with agencies at future TechStat sessions. According to the Federal CIO, OMB's efforts to improve management and oversight of IT investments have already resulted in \$3 billion in savings.

Additionally, in December 2010, OMB issued an 18-month plan for reforming federal IT management that has five major goals, including strengthening program management, streamlining governance and improving accountability, and using shared solutions, among others. These goals and the plans in place to support them are consistent with GAO's work highlighting IT management and governance weaknesses, as well as work to identify duplicative activities in the government. As part of this plan, OMB has initiatives under way to strengthen agencies' investment review boards and to consolidate federal data centers.

GAO has ongoing work to review the Dashboard and other OMB initiatives. Continued OMB oversight and the implementation of its 18-month plan along with outstanding GAO recommendations, could result in further significant savings and increased efficiency.