

Selected Agencies' Investment Ratings Fail to Fully Consider Risks

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A report to the Committee on Oversight and Government Reform, House of Representatives

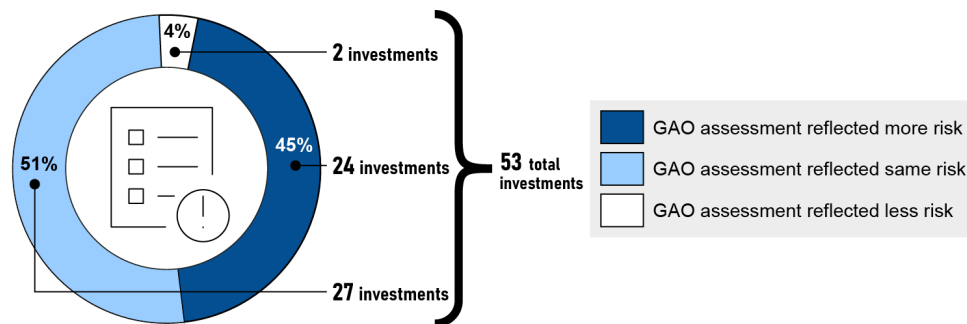
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What GAO Found

The Federal Information Technology (IT) Dashboard is intended to show the level of risk for an investment. The Dashboard reflects Chief Information Officers' (CIO) ratings of risk. Selected agencies that GAO reviewed used different processes to develop their ratings. Most of these processes included some, if not all, of six factors that the Office of Management and Budget (OMB) suggested.

GAO's assessments generally identified the presence of more risk compared to the associated CIO ratings. GAO determined its assessments based on investment risk documentation. Of the 53 investments assessed, GAO's assessments matched the CIO ratings 27 times, showed more risk 24 times, and showed less risk two times (see graphic).

Comparison of Selected Investment's Chief Information Officer Ratings to GAO Assessments



Sources: GAO analysis; Cetacons/stock.adobe.com (icon). | GAO-27-108416

Two issues contributed to the differences between GAO and CIO ratings. Specifically, 21 of the 53 CIO ratings were not updated in a timely manner according to agencies' processes. In addition, two agencies' rating processes span longer than quarterly, contrary to OMB's guidance.

In April 2026, OMB announced that it was taking steps to sunset the Dashboard and replace it with a new streamlined system but did not provide a timeframe for its release. In the interim, it is critical that selected agencies address issues with their CIO ratings. Without doing so, critical IT investments may not receive proper oversight, and emerging risks may remain unidentified or unmanaged. For example, a system modernization effort that falls behind schedule but continues to display an outdated "low-risk" rating might not get the scrutiny it needs and fall further behind schedule.

GAO previously recommended that OMB improve its oversight of troubled investments identified from CIO rating data; however, OMB has not yet acted on this recommendation. As a result, agencies and OMB may be unable to identify emerging risks in time, potentially allowing underperforming investments to proceed without needed intervention and increase the risk of higher costs. As OMB transitions to a new system, it is imperative that agencies address issues with the quality and frequency of CIO ratings. This is critical to ensuring that the new system strengthens the monitoring of IT investment risk.

Why GAO Did This Study

The federal government spends over \$100 billion annually on IT and cyber investments, but many projects fail, facing cost overruns and delays. In 2009, OMB launched the IT Dashboard to provide transparency on IT investments. OMB sets Dashboard policies and the General Services Administration operates the Dashboard.

GAO was asked to review the CIO ratings on the IT Dashboard. This report describes agencies' processes for determining the CIO risk ratings for major IT investments, assesses the risks of federal IT investments, and analyzes any differences with the investments' CIO risk ratings, among other things.

GAO reviewed 26 agencies' fiscal year 2025 budget data reported to OMB to identify major IT investments of \$35 million or more of development activities; this resulted in 53 selected investments at 12 agencies. GAO then reviewed agencies' CIO ratings processes, assessed the risks of the 53 investments, and compared GAO's assessments to the CIO ratings.

What GAO Recommends

GAO is making 17 recommendations to nine agencies to improve the quality and frequency of CIO ratings. Five agencies agreed with the recommendations, one agency agreed with one recommendation and disagreed with the other, two agencies disagreed, and one agency did not state whether it agreed or disagreed. OMB did not provide comments. GAO maintains that its recommendations are warranted.