



Highlights of [GAO-09-566](#), a report to congressional requesters

## Why GAO Did This Study

The federal government expects to spend about \$71 billion for information technology (IT) projects for fiscal year 2009. Given the amount of money at stake, it is critical that these projects be planned and managed effectively to ensure that the public's resources are being invested wisely. This includes ensuring that they receive appropriate selection and oversight reviews. Selection involves identifying and analyzing projects' risks and returns and selecting those that will best support the agency's mission needs; oversight includes reviewing the progress of projects against expectations and taking corrective action when these expectations are not being met.

GAO was asked to determine whether (1) federal departments and agencies have guidance on the role of their department-level investment review boards in selecting and overseeing IT projects and (2) these boards are performing reviews of poorly planned and poorly performing projects. In preparing this report, GAO reviewed the guidance of 24 major agencies and requested evidence of department-level board reviews for a sample of 41 projects that were identified as being poorly planned or poorly performing.

## What GAO Recommends

GAO is making recommendations to selected agencies to improve their department-level board representation and selection and oversight processes. In comments on a draft of the report, 11 agencies generally agreed with the recommendations and one did not.

View [GAO-09-566](#) or [key components](#). For more information, contact David A. Powner at (202) 512- 9286 or [pownerd@gao.gov](mailto:pownerd@gao.gov).

## INFORMATION TECHNOLOGY

### Federal Agencies Need to Strengthen Investment Board Oversight of Poorly Planned and Performing Projects

#### What GAO Found

The 24 major federal agencies have guidance calling for department-level investment review boards to select and oversee IT investments. However, while all of the agencies had department-level boards, the board membership for the Departments of Commerce and Labor did not include business unit (i.e., mission) representation as called for by IT investment management best practices. Without business unit representation on their department-level boards, these agencies will not have assurance that the boards include those executives who are in the best position to make the full range of investment decisions necessary for them to carry out their missions most effectively.

About half of the projects GAO examined did not receive selection or oversight reviews. Specifically, 12 of the 24 projects GAO reviewed that were identified by OMB as being poorly planned (accounting for \$4.9 billion in the President's fiscal year 2008 budget request or two-thirds of the funding represented by the 24 projects) did not receive a selection review, and 13 of 28 poorly performing projects GAO reviewed (amounting to about \$4.4 billion or 93 percent of the funding represented by the 28 projects) did not receive an oversight review by a department-level board. Agencies provided several reasons for not performing department-level board reviews, including some which were not consistent with sound management practices. Furthermore, 6 of the 11 projects in the sample identified as being both poorly planned and poorly performing, with over \$3.7 billion in funding in the President's fiscal year 2008 budget request, received neither a selection review nor an oversight review (see table below). Without consistent involvement of department-level review boards in selecting and overseeing projects that have been identified as poorly planned or poorly performing, agencies incur the risk that these projects will not improve, potentially leading to billions of federal taxpayer dollars being wasted.

#### Poorly Planned and Performing Projects That Received No Department-Level Board Review

Dollars in millions

Agency	IT investment	FY 2008 request
Education	Common Services for Borrowers	\$15
Homeland Security	DHS-Infrastructure	\$1,071
Homeland Security	CBP Secure Border Initiative (SBI) <i>net</i>	\$1,000
Treasury	Enterprise IT Infrastructure Optimization Initiative	\$1,638
Treasury	Integrated Collection System	\$9
Nuclear Regulatory Commission	National Source Tracking System	\$4
<b>Total</b>		<b>\$3,737</b>

Source: GAO analysis of agency data.