

BRIEFLY...

Highlights of Report Number: 23-14-009-07-723, issued to the Chief Information Officer.

WHY READ THE REPORT

DOL spends about \$500 million annually on a portfolio of information technology (IT) investments that support its mission and the delivery of customer services. This level of spending requires DOL to develop and implement a comprehensive approach to responsible management of these IT assets. The report highlights improvements DOL needs to make that would better ensure these investments are properly managed, stay within budget, and meet DOL program needs.

WHY OIG CONDUCTED THE AUDIT

Office of Management and Budget (OMB) A-11 requires the Department of Labor (DOL) to report on all funding for IT investments, including IT security. Fully documenting and properly classifying investments according to DOL policies and procedures is key to establishing complete and accurate information for prioritizing investments based on mission or program needs. Implementing strong controls over IT investments reduces the risks for cost overruns, schedule shortfalls, or outcomes that do not meet business needs or agency mission objectives. Oversight is a critical component of the investment management process that ensures investment risks can be effectively managed, tracked, and mitigated.

Our audit objective was to answer the following question:

Has DOL established effective controls to manage the IT investment process?

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2014/23-14-009-07-723.pdf>.

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IMPROVEMENTS NEEDED TO DOL'S CAPITAL PLANNING AND INVESTMENT CONTROLS FOR MANAGING INFORMATION TECHNOLOGY INVESTMENTS

AUDIT RESULTS

Our audit concluded DOL can improve management of its IT investments by ensuring controls are timely updated and followed. These actions will provide DOL with better information regarding its IT investments and help it more effectively manage IT investment cost, schedule, and performance.

Of the 15 sampled IT investments we reviewed, 4 investments, costing about \$365 million from FY 2010 through FY 2012, were not classified as major investments consistent with DOL policy and were therefore not subjected to the full range of departmental oversight. Furthermore, 3 of the 15 sampled IT investments were not managed by certified project managers as required by DOL's System Development Life Cycle Management (SDLCM) manual. Finally, we determined the maturity of DOL's investment management process had not surpassed Stage 2 of GAO's ITIM framework due to a number of factors not fully present in DOL's process. Greater maturity within the ITIM framework can strengthen an agency's overall security posture and help ensure that IT security is appropriately planned and funded throughout the investment's life cycle.

WHAT OIG RECOMMENDED

We made 3 recommendations to the CIO to: 1) ensure all IT investments are identified and included as part of a comprehensive investment management process; 2) update DOL IT capital planning and investment control policies, procedures, and documentation; and 3) implement an investment management framework consistent with National Institute of Standards and Technology Special Publication 800-65.

The Office of Assistant Secretary for Administration and Management's Deputy Assistant Secretary for Operations, responding for the Chief Information Officer, stated the Office of the Chief Information Officer accepts the recommendations in the audit report and will take appropriate action to update Department-wide policies, processes, and procedures. These corrective actions are planned for completion in FY 2014.