

**FINAL REPORT
INFORMATION TECHNOLOGY
MANAGEMENT REFORM ACT
AUDIT**

OIG-00-077 March 29, 2000



Office of Inspector General

United States Department of the Treasury

March 29, 2000

MEMORANDUM FOR LISA ROSS
ACTING ASSISTANT SECRETARY FOR MANAGEMENT
AND CHIEF FINANCIAL OFFICER

FROM: Dennis S. Schindel /S/
Assistant Inspector General for Audit

SUBJECT: Final Report on Information Technology
Management Reform Act Audit

This memorandum transmits our final report on the *Information Technology Management Reform Act (ITMRA) Audit*. This audit was performed to determine the progress of the Department of the Treasury to manage, evaluate, and make strategic decisions about Treasury's portfolio of information technology (IT) initiatives. This audit focused on the establishment of the Treasury Investment Review Board (TIRB) and its related roles and responsibilities which are intended to fulfil the requirements of the Information Technology Management Reform Act.

Since the enactment of ITMRA, the Department of the Treasury has taken several steps to establish an organizational structure to more effectively deliver its IT systems. The TIRB, the Chief Information Officer's organization, the Treasury Information System Architecture Framework Committee, and the Treasury Information Management Exchange (TIMEX) were each created and became partners in this organizational structure. At the center of this structure is the Office of Information Technology Policy and Management (ITPM). Furthermore, all of the bureaus have instituted the Investment Review Board (IRB) process and members of the ITPM office staff are sitting members at the bureaus' level (except Internal Revenue Service).

Our review disclosed that the TIRB is not adequately structured to provide executive direction and effective management for fully implementing ITMRA.

Furthermore, adequate information is not being collected by the Department in order to create, maintain and manage a portfolio of IT Investments by the TIRB. Accordingly, we recommended that the current TIRB structure should include representation for the bureaus as well as other working group membership from the Department. We also recommended the issuance of formal directives to further Treasury's progress in implementing ITMRA by specifying a dollar threshold for investment cost requiring business case documentation to be submitted to the ITPM office for concurrence.

Your February 24, 2000, response to our draft report concurred with our two findings and recommendations. The response is summarized and evaluated in the body of the report and included in detail as Appendix 1. For our first recommendation, we believe that once the new board members are added the actions noted in your response will successfully implement the intent of our recommendation. For the second recommendation, we fully concur with management on the issuance of the ITMRA guidance. The OIG supports management's efforts in implementing I-TIPS, including the establishment of policies and procedures for its use. However, we recognize that I-TIPS is not fully in effect and questions have been raised about the sharing of cost data between the Department and the bureaus. Until these issues on sharing information are addressed, the intent of our recommendation cannot be fully implemented.

We will be entering the recommendations contained in this report in the Inventory Tracking and Closure (ITC) System. Consistent with Treasury Directive No. 40-01, we request a written description of actions taken and planned, and target dates for any incomplete corrective actions, within 30 days of the date of this memorandum. The response to our draft report indicated that no information was identified that would warrant protection under the Freedom of Information Act. Therefore, the report will become public.

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We appreciate the courtesies and cooperation provided to our auditors during the audit. If you have any questions or require further assistance, you may contact me at (202) 927-5400, or a member of your staff may contact Clifford Jennings, Director, Office of Information Technology Audits at (202) 927-5771.

Attachment

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Overview

This report presents the results of our audit to determine the progress of the Department of the Treasury in managing, evaluating, and making strategic decisions about its portfolio of information technology (IT) initiatives. This audit focused on the establishment of the Treasury Investment Review Board (TIRB) and its related roles and responsibilities which were intended to satisfy the requirements of the Information Technology Management Reform Act (ITMRA), also known as the Clinger-Cohen legislation.

The ITMRA mandates that Departments establish processes and provide information to help ensure that IT projects are being implemented at acceptable costs, and within reasonable and expected time frames. To achieve this implementation objective, the law requires IT management processes to be institutionalized throughout the organization and used for all IT related decisions. These IT management processes should be designed and implemented to maximize the value as well as assess and manage the risks of IT acquisitions and ongoing operations.

The Department of the Treasury established the TIRB to select, manage and evaluate IT investments. Three years following the enactment of ITMRA in 1996, the Department remains in its initial stages of implementing processes to manage its IT investments. For example, the TIRB lacks the structure to provide executive direction and effective management over IT investments. As a result, the TIRB and the Department's organizational practices must be improved in order to help the Department manage, evaluate, and make strategic decisions regarding Treasury's portfolio of IT initiatives.

The Department of Treasury, Office of the Chief Information Officer (CIO), initially prepared a white paper which addressed how the Office of the CIO was to be structured to carryout the mandates of the ITMRA legislation. Furthermore, to fulfill the law's mandates, the CIO organization is currently laying the groundwork to establish, develop, maintain and facilitate the implementation of a sound, integrated information technology architecture for the Department.

Although the Department has taken these positive steps to implement ITMRA, improvements can be made in managing, evaluating and in making strategic decisions regarding the Treasury's portfolio of information technology initiatives and ongoing operations. While the CIO's white paper created a structure which would satisfy the requirements of ITMRA, the structure was never fully implemented. The Department can better implement ITMRA by providing an effective methodology for the selection of information technology investments, the management of such investments, and the evaluation of the results of such investments. Two findings and two recommendations have been included in this report to assist the Department in improving its implementation of ITMRA.

Background

Several management reforms enacted in this decade have introduced requirements emphasizing the need for Federal agencies to significantly improve their management processes and the methods they use to select and manage their IT resources. One of these management reforms is the ITMRA also known as the Clinger-Cohen legislation. A key goal of ITMRA is that agencies should have processes and information to help ensure that their IT projects are being implemented at acceptable costs, within reasonable and expected time frames, and are contributing to tangible, observable improvements in mission performance. Moreover, these agency-wide processes should be institutionalized throughout the organization, and should be used for all IT-related decisions. The ultimate goal of these various legislative reforms is for agencies to make better decisions that will measurably increase the performance of the Government.

The Information Technology Management Reform Act, (Division E of Public Law 104-106), enacted on February 10, 1996, requires Federal agencies to focus more on the results achieved through IT investments while streamlining the Federal IT procurement process. Specifically this Act introduces much more rigor and structure into how agencies approach the selection and management of IT projects than what had been previously called for in the Brooks Act (Public Law 89-306). For example, the head of each agency is required to implement a process for maximizing the value and assessing and managing the risks of the agency's IT acquisitions.

The Department CIO has the responsibility for carrying out the requirements of ITMRA and as a result, designed their organization to provide comprehensive support to the Secretary in driving the IT strategic planning and decision-making processes. The Office of IT Policy and Management (ITPM) as part of the CIO organization is assigned executive responsibilities. Their functions include strategic and capital planning; portfolio planning; investment management; portfolio evaluation and selection; investment evaluation review; investment performance review; and, monitoring assessment, developing information management policies, standards and procedures.

The Department of the Treasury established the TIRB to select, manage and evaluate IT investments. As originally established in 1996, the TIRB was chaired by the Department CIO and consisted of senior executives from the Bureau CIO's, the Bureau Chief Financial Officers (CFO), and senior managers from the Department. The original TIRB drafted operating guidelines, was actively involved in several IT related issues and published minutes of their meetings. In April of 1999, representation of the TIRB was reduced to five members, which is comprised as follows:

- The Assistant Secretary for Management and CFO (chairperson)
- Treasury's Chief Information Officer
- Treasury's Deputy Assistant Secretary for Management Operations
- Treasury's Deputy CFO
- The Deputy Assistant Secretary, for Strategy and Finance.

Objective, Scope, and Methodology

The overall objective of this audit was to determine the progress of the Department of the Treasury to manage, evaluate, and make strategic decisions about Treasury's portfolio of information technology (IT) initiatives. This audit focused on the establishment of the TIRB and its related roles and responsibilities which were intended to fulfill the requirements of the Information Technology Management Reform Act.

We conducted this audit between May 1999 and July 1999 at the Chief Information Officer's, Office of Information Technology and Policy Management (ITPM). Further, we interviewed one current member and three former members of the TIRB. We also obtained Treasury architectural process documents and attended architectural meetings.

Audit work was performed in accordance with accepted *Government Auditing Standards*.

Audit Results

Since the enactment of ITMRA, the Department of the Treasury has taken several steps to establish an organizational structure to more effectively deliver its IT systems. The TIRB, the CIO organization, the Treasury Information System Architecture Framework (TISAF) Committee, and the Treasury Information Management Exchange (TIMEX) were each created and became partners in this organizational structure. At the center of this structure is the Office of Information Technology Policy and Management (ITPM). Furthermore, all of the bureaus have instituted the Investment Review Board (IRB) process and members of the ITPM office staff are sitting members at the bureaus' level (except Internal Revenue Service).

The CIO organization issued guidance, which summarized the key provisions of ITMRA, placing emphasis on those provisions, which were most likely to affect the Department's information systems procedures, operations, and guidance to the bureaus. The guidance outlined the Secretary of the Treasury's and the CIO's responsibilities under ITMRA. It also identified how the CIO organization would be structured in order to support these

responsibilities and also included the functions of the ITPM office.

Also, to better fulfill ITMRA requirements the CIO organization developed the TISAF. On September 30, 1997, ITPM completed their architectural process manual as guidance to complement their Information System Architectural Framework document. Together, the TISAF and architectural process documents help standardize Treasury's IT architecture as required by ITMRA. In addition, regular monthly meetings were held between ITPM personnel and bureau representatives to assist in implementing and adhering to these standards.

The Department also demonstrated its commitment to ITMRA with the establishment of the TIMEX group. TIMEX was established to support the Treasury bureaus and CIO in bringing about the Treasury Department's implementation of the ITMRA legislation related to IT planning and investment management.

Although the establishment of these various groups formed an organizational structure capable of carrying out ITMRA's goals and objectives, the Department has been unable to support this structure through the implementation of effective IT investment controls and guidance. Therefore, the Department can improve its effectiveness in managing, evaluating and in making strategic decisions regarding IT initiatives and investments.

The Implementation of ITMRA Can Be Made More Effective

Although the CIO organization drafted guidance and initiated an organizational structure, which established the initial control framework needed to satisfy the requirements of ITMRA, the guidance was never issued as a directive. As a result, the actual implementation of ITMRA has been negatively impacted. In addition, the TIRB is not effective in managing, evaluating and in making strategic decisions regarding the Department's portfolio of IT initiatives. Further, Treasury has been unable to streamline its IT acquisitions and emphasize life cycle management of IT as a capital investment. This condition places the Department's \$597 million in IT initiatives and operations at risk of not being economical investments.

The TIRB Should Better Support the CIO's Authority

The Department of the Treasury established the TIRB to select, manage and evaluate IT investments. However, the TIRB's current roles and responsibilities are not clearly defined. As a result, the TIRB's authority for the executive direction and management of the portfolio of Treasury's IT initiatives is limited.

The TIRB first met on December 20, 1996, in an attempt to satisfy and comply with the requirements of ITMRA. Per the original charter, the TIRB will review Treasury information technology investments upon the recommendation of the Department CIO or bureau's Investment Review Board. Subsequently, the CIO organization developed operating guidelines to provide detailed explanation of the purpose of the TIRB, as well as to define the TIRB's processes and requirements. However, in April 1999, the Assistant Secretary for Management re-invented the TIRB to broaden its scope to include non-information technology investments and to designate the Chief Financial Officer as the chairperson. The TIRB's new structure does not include representation from the bureaus and other working group membership throughout Treasury. The re-invented TIRB also eliminated the representation of the senior executives from Department program areas. In addition, the re-invented TIRB no longer publishes the minutes of its meetings.

During the review, we found that the management oversight currently performed by the TIRB is deficient. The TIRB is currently performing only capital planning and investment control over five projects. The five IT investments under TIRB review are:

1. Treasury Human Resources Initiative
2. Treasury Communication Environment (TCE) and TCS
3. Treasury Wireless Radio Program
4. Customs' ACE/ITDS initiatives
5. Disaster Recovery Initiative.

According to our analysis of Information Systems Plans for Fiscal Years 1997-2001, by the Office of the Deputy Assistant Secretary for Information Systems, there are over 95 major systems throughout the Treasury that the TIRB should be monitoring from an agency-wide perspective. For example, Financial Management Services' Payments and Claims Enhanced

Reconciliation System, Alcohol, Tobacco and Firearms' Firearm Tracing System, and the U.S. Mints Consolidated Information System are major systems that could have been monitored. Since the TIRB is narrowly focusing their attention on only five investments, their scope of activities for managing according to ITMRA is limited. The capability of the TIRB is also being hampered by the fact that there is no agency-wide portfolio of IT investment to select, manage and evaluate.

For example, ITMRA requires that the selection of IT investments be made on the basis of a risk ranked portfolio. However, the TIRB has delegated authority to the various bureaus for making these decisions. ITMRA also requires that management be in a position to approve, modify and/or cancel investments as necessary. However, the current TIRB does not have the information such as project cost, status, slippage, or milestone schedules necessary for making those decisions. Without this information the TIRB's management of investments is limited.

In January 1998, the CIO organization placed a work order with a consulting firm to propose operating procedures and to provide a detailed explanation of the original TIRB's purpose, processes, and requirements. In April 1998, the consulting firm drafted a report, "TIRB Operating Procedures." Based upon their analysis, the TIRB structure would rely on other investment review boards and a decision-working group to assist the TIRB in making decisions and recommendations. According to the draft report, the primary support for the TIRB would reside in a working group that operated at the Department level. This group would provide the analysis necessary for TIRB discussion and decision-making. Further, the consulting report stated that the TIRB should also rely on a Departmental Services Investment Review Board (DSIRB). This DSIRB would also reside at the Department level and have oversight responsibilities over corporately shared IT services.

According to the consultant's report, two levels of support were needed for the TIRB operations. The two levels of support would serve as an integrating structure for agency-wide management. The suggested structure recommended an intermediary investment review board and a team with members from various Treasury offices. The combined structure would support the TIRB's decision making by:

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- Providing ITMRA guidance (e.g., capital investment criteria).
 - Coordinating review with staff.
 - Assuring reviews of IT initiatives/portfolios.
 - Preparing TIRB reviews of selected IT investments/portfolios, applying decision criteria.
 - Communicating actions of TIRB.
 - Recommending projects for TIRB review.

The TIRB has not institutionalized a supporting structure to propose, develop, and evaluate the results of all information system investments. Consequently, IT strategic decisions are either relegated to the bureaus or just not made. For example, the TIRB has not issued a directive, which details their investment review process for monitoring, managing and evaluating IT investments. Furthermore, the current TIRB has not acted on the consultant's report to provide for more inclusive intermediary board structures. Without a complete structure and process, IT issues are delegated to technical and staff units without prescribing quantitative benchmarks and standards. Such benchmarks and standards should be used by the TIRB to evaluate current IT investment performance, document opportunities for improvement, and hold program managers as well as stakeholders accountable for IT decisions.

Per the CIO guidance, the TIRB is to coordinate its activity through the ITPM office and perform IT investment reviews. In April 1999, the TIRB was reinvented. At that time, the expressed purpose of the TIRB, was to be the steward of Treasury's capital investments. The TIRB was tasked with: (1) ensuring regular monitoring and proper management of these investments, (2) ensuring that the investments support the Treasury strategic plan, and (3) meeting the requirements of the ITMRA statute and the Office of Management and Budget (OMB) guidelines that support the budget process for Treasury's capital investments.

The current TIRB lacks the integrating structure to provide executive direction and effective management. The roles and responsibilities for this integrating structure have not been clarified by the TIRB for putting ITMRA into effect. As a result, there is no defined process to manage investments from an agency-wide perspective. To better satisfy ITMRA requirements,

the TIRB should fully implement investment management practices for making IT strategic decisions and be given the power, authority, and mission to exercise overall control over IT Department-wide.

Recommendation:

1. The current TIRB structure should include representation from the bureaus as well as other working group membership from the Department. Also, the Treasury should formally institutionalize the intermediary board structure and support-working group to more effectively adhere to the requirements of ITMRA. The intermediary board structure should be comprised of senior executives from both the Department and Bureau program areas. Such a structure will better allow Treasury to select, manage, and evaluate IT investments from an agency-wide basis.

Management Response and OIG Comment

Treasury filled the position of Executive Director for the Capital Investment Review Board (CIRB), so that full time attention will be given to an expanded selection of investments across all bureaus. The Chief Financial Officer from Engraving & Printing has been added as a permanent CIRB member and consideration is being given to adding additional members to the Investment Review Board. The newly structured board has expanded their oversight to include 14 capital investment projects. The new Director will focus on monitoring the approved projects on a regular basis. The Director is also putting more structure to the process and requiring more participation by scheduling pre-CIRB meetings at the staff level.

The OIG believes that once the new board members are added that actions noted in management's response will successfully implement the intent of our recommendation.

Information Required for IT Investment Analysis Is Not Being Provided

The Department of the Treasury lacks sufficient information regarding proposed IT investments upon which to base their analysis and to support decisions regarding the management, oversight and governance functions of its IT investments. As a result, there is no evaluation of IT investments being made for maximizing the value as well as assessing and managing the risks of IT acquisitions for the Department. Further, the significant changes and performance outcomes as required by ITMRA are not being achieved.

The mission of the IT Policy and Management Office (ITPM) is to provide effective IT management practices, policies, and procedures to achieve the goals of ITMRA. In response to the ITMRA legislation, the ITPM office realigned its resources and responsibilities to provide a broader framework of IT investment management. The Desk Officers were to emphasize active IT investment evaluation, selection, and review through established criteria for assessing and quantifying returns and risks for IT projects/systems. Such a process was to help with the evaluation and review of bureau IT portfolios for clarity, consistency, performance and effectiveness. Furthermore, this process was to provide a minimum criterion in considering whether to undertake a particular investment in information systems.

The bureaus have not been asked to provide ITPM/Desk Officers the necessary data needed to create and maintain the portfolio of IT investments. As a result, the Desk Officers cannot perform the investment analysis required by ITMRA and also support the TIRB process. Specifically, business case information needed to control and evaluate IT investments has not been provided. Without this data and analysis the CIO organization cannot: (1) control and compare projects/systems against projected costs, schedule, and performance; (2) effectively make strategic decisions for continuing, modifying or canceling each project; and (3) conduct post-implementation reviews to determine actual cost, benefits, risks, and returns.

The Desk Officers, as part of the ITPM office, were not participating in the oversight or monitoring of IT investments. The bureaus are not providing business case documentation to

them. No Treasury directive (TD) defined their roles and responsibilities for properly effecting ITMRA requirements. Current practices are not allowing an integral part of the CIO organization to carry out its mission to integrate their activities across the agency. For example, the Desk Officers were not provided the documentation for major systems such as the Internal Revenue Service's Tax Systems Modernization effort, Custom's Services Treasury Enforcement Communications Systems (TECS) and the Secret Service's White House Access Control System.

The Department has not provided the specific guidelines and directions needed to effectively manage IT investments according to ITMRA requirements. The CIO organization issued guidance, which described how the Office of the CIO would be structured in order to carry out the mandates of ITMRA. Although, the guidance summarized the key provisions of ITMRA, outlined the responsibilities of the CIO and the Agency Head; described how the office of the CIO would be organized in order to support these responsibilities; and described in particular how IT management, oversight, and governance functions would be performed within the Office of IT Policy and Management; this guidance was not formally adopted. Consequently, the significant changes in IT management, as required by ITMRA, were not fully implemented.

Although the CIO organization initially published guidance to its Web site, formal directives necessary to integrate their processes throughout Treasury were not issued. Management attributed insufficient funds and other priorities as the reasons for not completing the process documents. For example, formal directives, official policy and procedures for IT life cycle management and the evaluation of IT investments, or the integration of the Desk Officers functions were not published. Such authoritative process publication is needed to integrate Treasury's many policies, programs, services, processes, and procedures into one framework to fully implement the ITMRA. Treasury's directives for IT investment management remain in draft. Specifically, TD 81-01, "Treasury Information Technology Programs", TD 84-01, "Information System Life Cycle", and TD Publication 81-01, "Treasury Information Technology Manual" have not been completed.

According to ITMRA guidance, an IT investment management process is an integrated approach to managing IT investments that provides for the continuous identification, selection, control, life-cycle management, and evaluation of IT investments. Such a structured process provides a systematic method for agencies to minimize risks while maximizing the return of IT investments. For example, ITMRA calls for an agency-wide portfolio of IT investments to select, manage and evaluate. This should be a prioritized risk-rank list. For the ITMRA process to be most effective it should be conducted as part of a continuous and interdependent management effort.

Without a defined process to integrate the Desk Officer's mission with the rest of Treasury, there is no effective mechanism to fully implement ITMRA requirements and make strategic decisions consistently throughout the organization. Accordingly, each bureau is in a position to make IT investment decisions based on different criteria. Without the defined process available, Department level resources are not effectively being employed to enhance the IT investment management. Thus, the Department of the Treasury has experienced unacceptable information systems project failures, slow progress and disappointing results. Examples of such projects include Tax System Modernization and Custom's Automated Commercial Environment.

Recommendation:

2. The Department of the Treasury should issue formal directives to further Treasury's progress in implementing ITMRA. The directives should centralize the ITMRA function through the CIO organization on a Department-wide basis, and the directive should specify a dollar threshold for investment cost requiring business case documentation to be submitted to the ITPM office for concurrence. Furthermore, the directives should fully integrate the Department and the bureaus into an IT investment management process that provides for the continuous identification, selection, control, life-cycle management, and evaluation of IT investments from an agency-wide perspective.

Management Response and OIG Comment

The Chief Information Officer has agreed to finalize Treasury's directives relating to ITMRA implementation and includes the drafts cited in this report. Management has also agreed to address the feasibility of specifying dollar thresholds as part of the investment approval process. To maintain cost, schedule and performance information for any selected project, the Department has mandated the implementation and use of the Information Technology Investment Portfolio System (I-TIPS). To provide better executive direction the CIO is requiring more coordination between the new Executive Director position, the Acting Deputy Assistant Secretary (Strategy and Finance) and the Department Budget Director to monitor the portfolio of IT investments.

The OIG fully concurs with management on the issuance of the ITMRA guidance. The OIG supports management's efforts in implementing I-TIPS, including the establishment of policies and procedures for its use. However, we recognize that I-TIPS is not fully in effect and questions have been raised about the sharing of cost data between the Department and the bureaus. Until these issues on sharing information are addressed, the intent of our recommendation cannot be fully implemented.

Management Comments



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

FEB 24 2000

MEMORANDUM FOR DENNIS S. SCHINDEL
ASSISTANT INSPECTOR GENERAL FOR AUDIT

FROM: James J. Flyzik *J Flyzik*
Deputy Assistant Secretary (Information Systems)
and Chief Information Officer

SUBJECT: Draft Report on Information Technology Management
Reform Act Audit

I appreciate the opportunity to comment on the Draft report and concur with the conclusions. Since the time of your review, Treasury Management and the CIO Office have taken measures to strengthen the investment review process along the lines recommended in the report.

RECOMMENDATION:

The current TIRB structure should include representation from the bureaus as well as other working group membership from the Department. Also, the Treasury should formally institutionalize the intermediary board structure and support-working group to more effectively adhere to the requirements of ITMRA. The intermediary board structure should be comprised of senior executives from both the Department and Bureau program areas. Such a structure will better allow Treasury to select, manage, and evaluate IT investments from an agency-wide basis.

RESPONSE:

Treasury recently filled the position of Executive Director for the Capital Investment Review Board (CIRB), so that full time attention will be given to an expanded selection of Capital Investments across all bureaus. The CIRB has so far focused on the selection and approval of fourteen capital investment projects. The new Director will focus on monitoring the approved projects on a regular basis. Recently, the Capital Plans for the Bureau of Engraving & Printing and the US Mint were presented, with the Financial Management Service and others to follow shortly. The Director is also putting more structure to the process by developing presentation guidelines, establishing timeframes for re-ahead materials, and scheduling pre-CIRB meetings at the staff level.

Management Comments

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Improvements have been made to documentation, to include minutes of the meetings and status of open action items. The Chief Financial Officer from Engraving & Printing, representing the CFO Council, has been added as a permanent CIRB member. Consideration is being given to adding a few additional members. I am confident that these measures have begun the process of a stronger investment oversight and ITMRA implementation.

RECOMMENDATION:

The Department of Treasury should issue formal directives to further Treasury's progress in implementing ITMRA. The directives should centralize the ITMRA function through the CIO organization on a Department-wide basis, and the directive should specify dollar threshold for investment cost requiring business case documentation to be submitted to the ITPM office for concurrence. Furthermore, the directives should fully integrate the Department and the bureaus into an IT investment management process that provides for the continuous identification, selection, control, life-cycle management, and evaluation from an agency-wide perspective.

RESPONSE:

We agree with your recommendation to finalize our directives related to ITMRA implementation. This entails completion and publication of directives and guidance documents currently in draft including those cited in your draft report: TD 81-01, "Treasury Information Technology Programs," TD 84-01, "Information Systems Life Cycle," TD Publication 81-01, "Treasury Information Technology Manual," and TD Publication 84-01, "Information Systems Life Cycle Publication." The documents have not been completed due to the priority of the Treasury Year 2000 program; the CIO Office had to redirect resources from the directives effort to the Year 2000 effort. Early on we had distributed to the bureaus ITMRA guidelines and have subsequently followed up with specific documents relating to architecture framework, strategic and capital planning, investment management, and IT skills development. Completion and dissemination of the documents will complement the bureau level IRB processes that already exist and serve to better coordinate capital investments in accordance with the Treasury Strategic Plan. The feasibility of specifying dollar thresholds as part of the process will be addressed.

The IT Policy and Management Office (ITPM) is implementing the Information Technology Investment Portfolio System (I-TIPS), which was mandated for use by the bureaus by ASM Nancy Killefer on November 8, 1999. I-TIPS will maintain cost, schedule and performance information on a regular basis for any selected project, as

Management Comments

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part of a capital investment management process to select, control and evaluate. We are also closely coordinating with the CIRB Executive Director as well as the Acting Deputy Assistant Secretary (Strategy and Finance) and Departmental Budget Director to establish policies and procedures for use of I-TIPS in the FY02 budget cycle. This will provide for an agency-wide portfolio of IT investments.

I have not identified any information in the report that would warrant protection under the Freedom of Information Act.

2001/11/23
11:30 AM

Major Contributors to This Report

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