



Highlights of [GAO-08-925](#), a report to congressional requesters

INFORMATION TECHNOLOGY

Agencies Need to Establish Comprehensive Policies to Address Changes to Projects' Cost, Schedule, and Performance Goals

Why GAO Did This Study

The federal government plans to spend about \$70 billion on information technology (IT) projects during fiscal year 2008. Consequently, it is important that projects be managed effectively to ensure that public resources are wisely invested. At times, a project's cost, schedule, and performance goals—known as its baseline—are modified to reflect changed development circumstances. These changes—called a rebaselining—can be done for valid reasons, but can also be used to mask cost overruns and schedule delays.

GAO was asked to (1) determine the extent of and the primary reasons for IT project rebaselining and (2) determine whether federal agencies have sound policies for rebaselining projects. To do this, GAO surveyed the managers of a random sample of 180 projects selected from the 778 major IT projects the 24 major agencies plan to invest in during fiscal year 2008. GAO also compared agencies' rebaselining policies to best practices.

What GAO Recommends

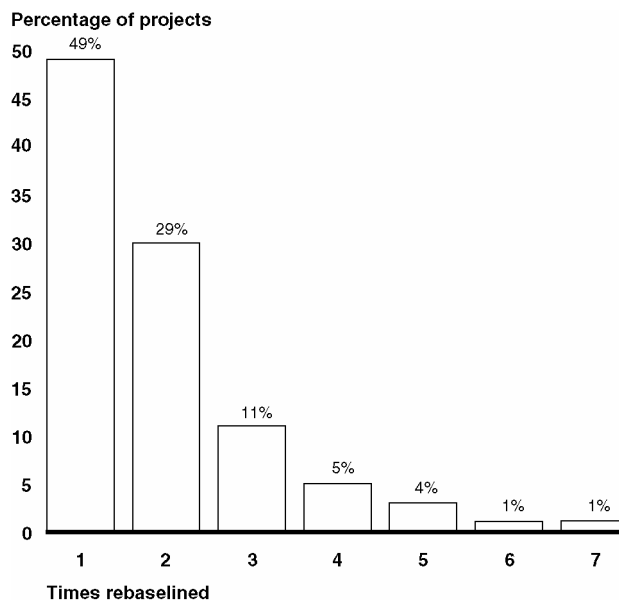
GAO is recommending that Office of Management and Budget issue guidance for rebaselining policies and that the major agencies develop policies that address identified weaknesses. Most of the agencies who commented on a draft of this report generally agreed with GAO's results and/or recommendations.

What GAO Found

Based on GAO's survey, approximately 48 percent of the federal government's major IT projects have been rebaselined, and projects are rebaselined for several reasons, including changes in project goals, changes in funding, or inaccurate original baselines. Of the rebaselined projects, 51 percent were rebaselined twice or more, and 11 percent were rebaselined 4 times or more (see figure). The most commonly cited reasons for rebaselining were changes in project requirements, objectives, or scope (55 percent of IT projects), and changes in funding stream (44 percent of IT projects).

While major agencies have all established rebaselining policies, these policies are not comprehensive. Specifically, none of the policies are fully consistent with best practices, such as describing a process for developing a new baseline. Agencies' policies vary in part because the Office of Management and Budget, which plays a key role in overseeing the federal government's IT investments and how they are managed, has not issued guidance specifying what elements these policies are to include. Without comprehensive policies to guide them, agencies may not be optimizing the effectiveness of rebaselining as a tool to improve performance management. In addition, their rebaselining processes may lack the transparency needed to ensure effective oversight.

Estimated Frequency of the Number of Times that Rebaselined Major IT Projects were Rebaselined



Source: GAO survey of major IT projects.

To view the full product, including the scope and methodology, click on [GAO-08-925](#). For more information, contact David A. Powner at (202) 512-9286 or pownerd@gao.gov.