



**U.S. OFFICE OF PERSONNEL MANAGEMENT
OFFICE OF THE INSPECTOR GENERAL
OFFICE OF AUDITS**

Final Audit Report

**AUDIT OF THE U.S. OFFICE OF PERSONNEL
MANAGEMENT'S COMPLIANCE WITH THE
FEDERAL INFORMATION TECHNOLOGY
ACQUISITION REFORM ACT**

**Report Number 4A-CI-00-18-037
April 25, 2019**

- CAUTION -

EXECUTIVE SUMMARY

Audit of the U.S. Office of Personnel Management's Compliance with the Federal Information Technology Acquisition Reform Act

Report No. 4A-CI-00-18-037

April 25, 2019

Why Did We Conduct The Audit?

Our overall objective was to evaluate the U.S. Office of Personnel Management's (OPM) compliance with the Federal Information Technology Acquisition Reform Act (FITARA). FITARA grants Chief Information Officers (CIOs) expanded authorities to manage and approve the oversight of Information Technology (IT) processes at Federal agencies. Specifically, our objective was to determine whether OPM complied with the expanded CIO authority enhancements.

What Did We Audit?

The OPM Office of the Inspector General has completed a performance audit of OPM's FITARA compliance efforts. Our audit was conducted from April through November 2018 at OPM headquarters in Washington, D.C. Specifically, we identified and audited the policies and procedures for the budgeting and IT acquisition approval processes at OPM.

What Did We Find?

FITARA outlines the CIO responsibilities related to IT project planning and implementation through governance structures, participating in agency budgeting activities, approving contracts, and personnel decisions.

OPM has taken steps to enable its CIO to function as the head of the agency's IT, however our audit determined that OPM still is not fully compliant with the requirements of FITARA. We identified the following issues:

- OPM's CIO is not always included in budget discussions around core operating funds involving IT systems for other program offices;
- OPM's CIO is not always included in reprogramming discussions for funds involving IT systems for other program offices;
- OPM's CIO is not properly approving contracts and agreements for OPM's major IT investments; and
- There were instances where the documentation approving OPM's acquisition of IT or IT services contained inaccurate information.



Michael R. Esser
*Assistant Inspector General
for Audits*

ABBREVIATIONS

CIO	Chief Information Officer
FITARA	Federal Information Technology Acquisition Reform Act
IT	Information Technology
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OIG	Office of the Inspector General
OMB	U.S. Office of Management and Budget
OPM	U.S. Office of Personnel Management

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	i
ABBREVIATIONS	ii
I. BACKGROUND	1
II. OBJECTIVES, SCOPE, AND METHODOLOGY	2
III. AUDIT FINDINGS AND RECOMMENDATIONS	4
A. IT BUDGET	4
1. IT Budget Process	4
2. Reprogramming of IT Funds	6
B. IT ACQUISITION APPROVAL	8
1. Approval Process	8
2. IT Checklists	10

APPENDIX: OPM’s March 4, 2019, response to the draft audit report, issued
December 19, 2018

REPORT FRAUD, WASTE, AND MISMANAGEMENT

I. BACKGROUND

In December of 2014, Congress passed the Federal Information Technology Acquisition Reform Act (FITARA) to give agency Chief Information Officers (CIOs) greater authority over information technology (IT) investments. This legislation established goals and responsibilities for improved IT risk management, transparency, and more effective IT investment oversight. FITARA empowers CIOs to make decisions on IT project planning and implementation, such as governance, budgeting, contracting, and personnel. The law requires closer collaboration between the CIO, Chief Financial Officer, Chief Acquisition Officer, and Chief Human Capital Officer. FITARA outlines specific requirements related to:

- Chief Information Officer Authority Enhancements;
- Enhanced Transparency and Improved Risk Management in IT Investments;
- Portfolio Review;
- Federal Data Center Optimization Initiative;
- Expansion of Training and Use of IT Acquisition Cadres;
- Maximizing the Benefit of the Strategic Sourcing Initiative; and
- Government-wide Software Purchasing Program.

The focus of this audit was centered on certain CIO authority enhancements that are granted to agencies by FITARA. Overall, FITARA establishes the following authorities for agency CIOs:

- Significant role in the planning, budgeting, and reporting process related to IT;
- Significant role in the governance and oversight of IT;
- Approval of contracts, or other agreements for IT; and
- Approval of reprogramming IT funds.

Specifically, we audited the U.S. Office of Personnel Management (OPM)'s CIO's involvement in the agency's budgeting and contracting processes. FITARA emphasizes a CIO's strategic, agency-wide oversight responsibility for all IT, and clearly places responsibility on each agency head to implement and maintain policies to ensure the CIO has a significant role in management and financial decision-making. This was our first audit of OPM's compliance with FITARA.

II. OBJECTIVES, SCOPE, AND METHODOLOGY

OBJECTIVES

Our objectives were to perform an evaluation of OPM's budget and contracting programs, in accordance with standards established by FITARA, and OPM IT security policies and procedures.

The audit objectives were accomplished by reviewing the degree to which OPM has established and implemented FITARA requirements in the following areas:

- IT Budget; and
- IT Acquisition Approval.

SCOPE AND METHODOLOGY

This performance audit was conducted in accordance with Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States. Accordingly, the audit included an evaluation of related agency policies and procedures, compliance testing, and other audit procedures that we considered necessary. The audit covered FITARA compliance efforts of OPM in budget creation, and IT acquisition approval.

We considered the OPM internal control structure in planning our audit procedures. These procedures were mainly substantive in nature, although we did gain an understanding of management procedures and controls to the extent necessary to achieve our audit objectives.

To accomplish our objectives, we reviewed relevant OPM IT policies and procedures, Federal laws, and the U.S. Office of Management and Budget (OMB) policies and guidance. We interviewed representatives of OPM's relevant offices, the Office of the Chief Information Officer (OCIO), the Office of the Chief Financial Officer (OCFO), and the Office of Procurement Operations, as well as various agency personnel with IT responsibilities. We also reviewed documentation including IT checklists, contract information, and staffing data.

The findings, recommendations, and conclusions outlined in this report are based on the current status of OPM's compliance with FITARA as of November 2018, and are located in the "Audit Findings and Recommendations" section of this report. Since our audit would not necessarily disclose all significant matters in relation to FITARA compliance, we do not express an opinion on OPM's compliance as a whole, only the sections of FITARA determined to be in scope for this audit.

Various laws, regulations, and industry standards were used as a guide for evaluating audit documentation and interviews. These criteria include, but are not limited to, the following publications:

- OMB Memorandum (M-15-14), Management and Oversight of Federal Information Technology, June 10, 2015;
- Carl Levin and Howard P. ‘Buck’ McKeon National Defense Authorization Act for Fiscal Year 2015 (P. L. 113-291), Title VIII, Subtitle D, Federal Information Technology Acquisition Reform;
- OMB Circular A-130, Managing Information as a Strategic Resource; and
- OPM’s policies and procedures.

In conducting the audit, we relied to varying degrees on computer-generated data. Due to time constraints, we did not verify the reliability of the data generated by the various information systems involved. However, nothing came to our attention during our audit testing utilizing the computer-generated data to cause us to doubt its reliability. We believe that the data was sufficient to achieve the audit objectives. The audit was conducted in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States.

The audit was performed by the OPM Office of the Inspector General (OIG), as established by the Inspector General Act of 1978, as amended. The audit was conducted from April 2018 through November 2018 in OPM’s Washington, D.C. office.

COMPLIANCE WITH LAWS AND REGULATIONS

In conducting the audit, we performed tests to determine whether OPM’s compliance with FITARA is consistent with applicable standards. OPM was not in complete compliance with all standards, as described in Section III of this report.

III. AUDIT FINDINGS AND RECOMMENDATIONS

A. IT BUDGET

FITARA is explicit in its requirements that Federal agency CIOs have a significant role in all management processes and decisions that involve IT in their respective agency. Agency heads are specifically tasked with ensuring that CIOs are included in the budgeting and programming processes when related to IT resources. For our audit, we reviewed OPM’s processes around annual budgeting, programming, and reprogramming of funds for IT resources.

1. IT Budget Process

We discussed the budget formulation process with representatives from the OCIO and the OCFO. OPM has not maintained and enforced sufficient policies or procedures for ensuring the CIOs involvement in formulating its budgets. The OCIO expressed confidence that there was adequate CIO representation present at most annual IT-specific planning meetings, (i.e., meetings to discuss the budgetary element specifically allocated to the OCIO operations). However, during our audit, we found OPM’s IT acquisitions are commonly managed by individual program offices and not the OCIO. The decentralized nature of IT throughout OPM is evident in the distribution of IT project and modernization funding to program offices outside of the OCIO. Based on our observations, the OCIO is not routinely included in significant meetings and discussions around the core operating funds involving IT systems for other program offices.

OPM has not ensured that the CIO is appropriately involved in the budget creation process.

FITARA states “The head of each covered agency ... shall ensure that the Chief Information Officer of the agency has a significant role in-- (1) the decision processes for all annual and multi-year planning, programming, budgeting, and execution decisions, related reporting requirements, and reports related to information technology”

Additionally, OMB Circular A-130 requires “that the agency-wide budget development process includes the [Chief Financial Officer, Chief Acquisition Officer, and Chief Information Officer] in the planning, programming, and budgeting stages for programs that include IT resources (not just programs that are primarily information- and technology-oriented)”

Failure to properly include the CIO within the required decision processes increases the risk that IT solutions will not meet agency needs or IT security requirements. These can lead to overspending of IT resources, duplicate systems within OPM, and failed IT projects.

Additionally, failure to properly identify IT resources within the budgetary process can lead to an incomplete understanding of both funding utilization and accountability.

Recommendation 1

We recommend that the Office of the Director ensure that the CIO has adequate involvement and approval in all phases of annual and multi-year planning, programming, budgeting, and execution decisions in line with FITARA and OMB Circular A-130 requirements.

OPM Response

“We partially concur. We disagree that there is no defined policy to ensure that the CIO is appropriately involved in the budget creation process. The CIO’s role in the budget process is addressed in several policies, including the ones listed below:

- *Chapter 4 of the Financial Management Manual, which defines the CIO’s role in the budget process as follows, ‘Planning and budgeting for OPM’s [IT] investments is managed through the agency’s [CIO] following processes established by OMB.’*
- *OPM FITARA implementation procedures*
- *OPM’s Cost Estimating and Assessment Policy*
- *OPM’s IT Baseline Management Policy*

However, we do agree that involvement of the CIO in the review and approval of budgeting activities could be improved to better meet the spirit and intent of FITARA. While OPM has a solid policy infrastructure in place, it recognizes that there is room to better integrate the OCIO in the implementation of these policies. OCIO will lead efforts to review and amend as needed current policies and approaches to ensure that the OCIO is engaged in budgeting activities in the manner that is contemplated by FITARA and OMB guidance. This will be done in coordination with OCFO and the Office of the Director. OCIO is committed to continuing to centralize OPM’s IT acquisitions, management, and services in order to facilitate enhanced visibility and oversight.”

OIG Comment

In response to the draft report, OPM provided a series of policies and procedures that at a high level address the FITARA requirements for CIO inclusion in agency IT budgeting activities. However, at the time of the audit the CIO historically did not have a significant role in the budgetary decision making process related to all agency information technology. Additionally, during the course of fieldwork for our audit, we found that OCIO and OCFO staff involved in the budgetary process appeared unaware of the documentation subsequently provided in the OPM draft response.

For these reasons we believe the policies and procedures discussed above have not been sufficiently disseminated to the necessary personnel with budgetary responsibilities. We continue to recommend that the policies and procedures be revised, as discussed in the OPM response to the draft audit report, and that the Office of the Director ensure their full adoption to empower the CIO in all phases of annual and multi-year planning, programming, budgeting, and execution decisions for IT resources.

As part of the audit resolution process, we recommend that OPM provide the Internal Oversight and Compliance office with evidence that this recommendation has been implemented.

2. Reprogramming of IT Funds

FITARA states “A covered agency ... may not request the reprogramming of any funds made available for [IT] programs, unless the request has been reviewed and approved by the [CIO] of the agency” GAO defines reprogramming as “Shifting funds within an appropriation or fund account to use them for purposes other than those contemplated at the time of appropriation”

OCFO individuals responsible for the budgetary reprogramming process indicated that they were unaware of policies or procedures to ensure that the CIO is adequately involved in decisions to reprogram funds. Additionally, they indicated that reprogramming decisions take place between the Director of OPM and the Chief Financial Officer, but can include the Chief Operating Officer and the CIO. There was no evidence to suggest there was CIO involvement in reprogramming decisions outside of those specific to the OCIO. OCIO representatives also confirmed this.

**The CIO is not
appropriately involved
in the budget
reprogramming process.**

Failure to define a process to ensure the CIO is involved in budget reprogramming increases the risk that OPM will not maximize IT resources to comply with Federal security and privacy requirements.

Recommendation 2

We recommend that the Office of the Director ensure the CIO reviews and approves all reprogramming of funds for IT resources.

OPM Response

“We partially concur. We will develop specific guidance for use by the OCFO and office heads to help ensure the CIO reviews and approves all reprogramming of funds for IT programs.

However, we disagree there are no defined policies or procedures to ensure the CIO is adequately involved in decisions to reprogram funds. The CIO’s role in the budget reprogramming process is addressed in the OPM Reservations and Delegations of Administrative Authority, revised December 2016, which provides: ‘The Chief Information Officer is delegated the authority to: Review and approve the reprogramming of any funds made available for information technology programs, as required by 40 U.S.C. § 11319(b)(1)(C)(i)(II).’”

OIG Comment

In response to the draft report, OPM provided an excerpt from the OPM Reservations and Delegations of Administrative Authority document that at a high level addresses the FITARA requirements to grant CIOs authority to review and approve the reprogramming of funds made available for information technology programs. However, at the time of fieldwork for the audit the CIO did not have a role in the reprogramming of funds made available to program offices outside of the OCIO. Additionally, during the audit the OCFO staff involved in the budgetary process appeared unaware of both the documentation subsequently provided in the OPM draft response, as well as the FITARA mandate for CIO involvement in reprogramming decisions.

For these reasons, it appears that the delegation of responsibility discussed above has not been sufficiently disseminated to the necessary personnel. As such, we continue to recommend that the policies and procedures necessary to implement the above mentioned delegation be developed and/or revised as discussed in the OPM response to the draft audit report. Additionally, we recommend that the Office of the Director ensure the dissemination

and enforcement of said policies and procedures to sufficiently empower the CIO in all phases of annual and multi-year planning, programming, budgeting, and execution decisions for IT resources.

As part of the audit resolution process, we recommend that OPM provide the Internal Oversight and Compliance office with evidence that this recommendation has been implemented.

B. IT ACQUISITION APPROVAL

FITARA specifically requires that agency CIOs approve any contracts or agreements for IT systems, equipment, or services. In February 2017, the OCIO developed policies, procedures, and an IT checklist to ensure that all major agency procurements are reviewed to identify IT components prior to approval by the OCIO.

When initially created, this process applied to all acquisitions over \$250,000 regardless of funding source or type. The key element of this process is the IT checklist, which includes guidance for the program office on completing the form regarding what information to include and how to identify if an acquisition includes any IT component. The primary information required includes a detailed description of the procurement, the assigned acquisition personnel, and the impact on OPM IT.

To facilitate the review process, the OCIO has established a weekly working group where representatives from the program offices and the Office of Procurement Operations can discuss the procurements. This allows the OCIO to receive additional information and provide feedback as needed for completing the IT checklists prior to making the approval decision. All approved IT checklists are subsequently included with the program office's acquisition package when submitted to the Office of Procurement Operations.

We reviewed both the approval process and the IT checklists completed to date and identified the following opportunities for improvement:

1. Approval Process

FITARA specifically states the responsibility for reviewing and approving IT contracts or agreements is given to the CIO and cannot be delegated unless it is for "A non-major [IT] investment, as defined [by OMB]" An individual who directly reports to the CIO may grant the approval for the non-major investments.

The February 2017 policy identifies that the IT checklist process is to ensure appropriate identification of IT acquisitions and to improve compliance with FITARA. The policy also requires that the requesting program office gain approval from OPM's Capital Investment Committee before the IT checklist is submitted for review. Within OPM's current procedures, the Deputy CIO is responsible for approving the IT checklists.

FITARA requires that OPM's CIO approve all contracts and agreements for major IT investments.

Although the CIO is included in the Capital Investment Committee and other oversight groups, that participation alone does not satisfy all requirements of FITARA. The CIO needs to officially approve the checklists for all major projects and cannot delegate the responsibility to the Deputy CIO.

Through participating in the review and approval of contracts or agreements for major IT investments the CIO is better positioned to monitor major IT investments, effectively manage risk across investments, and effectively report on agency-wide IT risks as required by FITARA.

Recommendation 3

We recommend that the OCIO transition the responsibility for reviewing and approving checklists for major procurements to the CIO in accordance with FITARA.

OPM Response

“We partially concur. We agree that FITARA requires the CIO to review and approve contracts or other agreements for information technology or information services and that the only instance in which the CIO can delegate this responsibility to an individual who directly reports to the CIO is for a contract or agreement for a non-major information technology investment. However, we do not agree that OCIO needs to develop a process to transition this responsibility. The OCIO has already transitioned this responsibility for the review and approval of major procurements to the CIO exclusively.”

OIG Comment

As part of the audit resolution process, we recommend that OPM provide the Internal Oversight and Compliance office with evidence that this recommendation has been implemented.

Recommendation 4

We recommend that the OCIO update its procedures to only allow the CIO's direct reports to review and approve the IT checklists for non-major procurements as defined in FITARA and by OMB.

OPM Response

“We partially concur. We understand this recommendation to mean that OPM should update its procedures to allow only the CIO or individuals directly reporting to the CIO (to include the Deputy CIO if that person reports directly to the CIO) to approve non-major IT investments. This is consistent with the FITARA requirement that the CIO may not delegate responsibility for review and approval of contracts or agreements for information technology or information technology services, except in the case of non-major information technology investments. ...

[To] the extent needed, OCIO will review and update its procedures to make sure it is clear that individuals reporting directly to the CIO may be delegated the responsibility to review and approve the IT checklists for non-major procurements as defined in FITARA and by OMB.”

OIG Comment

As part of the audit resolution process, we recommend that OPM provide the Internal Oversight and Compliance office with evidence that this recommendation has been implemented.

2. IT Checklists

The OCIO's checklist repository contained approximately 300 approved IT checklists. We judgmentally sampled approximately 200 checklists to ensure we reviewed checklists from a variety of supporting program offices, contracting officer representatives, and IT project managers with a focus on high dollar contracts. Additionally, we selected for review any checklist that did not identify IT components but was associated with known IT initiatives. For each of the selected checklists, we interviewed the individuals who were identified as contracting officer representatives and IT project managers.

While we identified several instances where the information on the checklists was inaccurate (e.g., incorrectly identified personnel with substantial acquisition responsibilities), we found 10 approved checklists with varying degrees of discrepancies that did not properly identify

the IT components of the procurement. The results of our review were not projected to the universe.

The Deputy CIO explained that the OCIO was aware the information on the checklist was inaccurate and had not required the program offices to update the IT checklists after the initial submission. During the weekly meeting, the program office and the OCIO would discuss the checklist and supporting information to reach a consensus as to the procurement's inclusion of any IT component. After the weekly meeting, the Deputy CIO would approve the submitted IT checklist without waiting for an updated or revised checklist.

OPM's IT checklists have not been updated as required by OPM's policy.

OPM's policy requires that program offices "Must fix any issues identified by the OCIO as part of the review process ..." and that they "Must re-submit a new checklist to the OCIO after the issues are fixed." During the audit the Deputy CIO indicated that while the approval decisions were made based on accurate information, the lack of IT acquisition checklist revisions was an unintentional oversight.

Inaccurate IT checklists increase the risk that IT acquisitions may not be adequately tracked and any subsequent related IT acquisitions could be incorrectly classified and approved. The risks inherent in approving acquisitions based on information not captured in the checklists can be compounded when there is a change in the OCIO leadership and historical context is not available. Approval decisions based on inaccurate documentation could hinder the ability to effectively identify and manage risk for IT investments.

Recommendation 5

We recommend that the OCIO ensure that final approved checklists contain complete and accurate information.

OPM Response

"We Concur. OCIO will review and update the IT checklist as needed to indicate which fields are required for approval of IT investments. Once the IT checklist has been approved, we note that subsequent changes to the procurement are identified and addressed through other processes. Additionally, the OCIO plans to ensure that correct information is maintained on IT investment approvals by the CIO, but will not modify historical documents that have been submitted. The historical documents will be preserved as they are iterative indicators of the approval process. The OCIO will rely on other methods and systems, such as [the Office of Procurement Operations'] Acquisition

Tracking application, Contracting Officer Representative records or other appropriate sources to track changes in the investment over time.”

OIG Comment

As part of the audit resolution process, we recommend that OPM provide the Internal Oversight and Compliance office with evidence that this recommendation has been implemented.

APPENDIX



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

Office of the
Chief Information
Officer

MAR 07 2019

MEMORANDUM FOR:

[REDACTED]
Chief, Information Systems Audit Group,
Office of the Inspector General

FROM:

Clare A. Martorana
Chief Information Officer

Handwritten signature of Clare A. Martorana in black ink.

SUBJECT:

OPM Response to Draft OIG Report

Thank you for providing OPM the opportunity to respond to the Office of the Inspector General (OIG) draft report, *Audit Of The U.S. Office Of Personnel Management's Compliance With The Federal Information Technology Acquisition Reform Act*, 4A-CI-00-18-037.

Responses to your recommendations including planned corrective actions, as appropriate, are provided below.

Recommendation #1: We recommend that the Office of the Director implement a policy ensuring that the CIO has adequate involvement and approval in all phases of annual and multi-year planning, programming, budgeting, and execution decisions in line with FITARA and OMB Circular A-130 requirements.

Management Response:

We partially concur. We disagree that there is no defined policy to ensure that the CIO is appropriately involved in the budget creation process. The CIO's role in the budget process is addressed in several policies, including the ones listed below:

- Chapter 4 of the Financial Management Manual, which defines the CIO's role in the budget process as follows, "Planning and budgeting for OPM's information technology (IT) investments is managed through the agency's Chief Information Officer (CIO) following processes established by OMB."
- OPM FITARA implementation procedures
- OPM's Cost Estimating and Assessment Policy
- OPM's IT Baseline Management Policy

However, we do agree that involvement of the CIO in the review and approval of budgeting activities could be improved to better meet the spirit and intent of FITARA. While OPM has a

solid policy infrastructure in place, it recognizes that there is room to better integrate the OCIO in the implementation of these policies. OCIO will lead efforts to review and amend as needed current policies and approaches to ensure that the OCIO is engaged in budgeting activities in the manner that is contemplated by FITARA and OMB guidance. This will be done in coordination with OCFO and the Office of the Director. OCIO is committed to continuing to centralize OPM's IT acquisitions, management, and services in order to facilitate enhanced visibility and oversight.

Recommendation #2

We recommend that the Office of the Director ensure the CIO reviews and approves all reprogramming of funds for IT resources.

Management Response:

We partially concur. We will develop specific guidance for use by the OCFO and office heads to help ensure the CIO reviews and approves all reprogramming of funds for IT programs.

However, we disagree there are no defined policies or procedures to ensure the CIO is adequately involved in decisions to reprogram funds. The CIO's role in the budget reprogramming process is addressed in the OPM Reservations and Delegations of Administrative Authority, revised December 2016, which provides: "The Chief Information Officer is delegated the authority to: Review and approve the reprogramming of any funds made available for information technology programs, as required by 40 U.S.C. § 11319(b)(1)(C)(i)(II)."

Recommendation #3

We recommend that the OCIO develop a process to transition the responsibility for reviewing and approving checklists for major procurements to the CIO in accordance with FITARA.

Management Response:

We partially concur. We agree that FITARA requires the CIO to review and approve contracts or other agreements for information technology or information services and that the only instance in which the CIO can delegate this responsibility to an individual who directly reports to the CIO is for a contract or agreement for a non-major information technology investment. However, we do not agree that OCIO needs to develop a process to transition this responsibility. The OCIO has already transitioned this responsibility for the review and approval of major procurements to the CIO exclusively.

Recommendation #4

We recommend that the OCIO update its procedures to only allow the Deputy CIO to review and approve the IT checklists for non-major procurements as defined in FITARA and by OMB.

Management Response:

We partially concur. We understand this recommendation to mean that OPM should update its procedures to allow only the CIO or individuals directly reporting to the CIO (to include the Deputy CIO if that person reports directly to the CIO) to approve non-major IT investments. This is consistent with the FITARA requirement that the CIO may not delegate responsibility for review and approval of contracts or agreements for information technology or information technology services, except in the case of non-major information technology investments.

For non-major IT investments, FITARA specifies the CIO may delegate the approval of the contract or agreement to an individual who reports directly to the CIO. At OPM, there are typically a few people who report directly to the CIO, including the Deputy CIO and Associate CIOs. Therefore, a recommendation that OPM limit the ability to review and approve non-major information technology investments to only the Deputy CIO is unduly restrictive and not consistent with the plain language of FITARA. Such constraint could unnecessarily delay non-major procurements.

Nonetheless, to the extent needed, OCIO will review and update its procedures to make sure it is clear that individuals reporting directly to the CIO may be delegated the responsibility to review and approve the IT checklists for non-major procurements as defined in FITARA and by OMB.

Recommendation #5

We recommend that the OCIO ensure that final approved checklists contain complete and accurate information.

Management Response:

We Concur. OCIO will review and update the IT checklist as needed to indicate which fields are required for approval of IT investments. Once the IT checklist has been approved, we note that subsequent changes to the procurement are identified and addressed through other processes. Additionally, the OCIO plans to ensure that correct information is maintained on IT investment approvals by the CIO, but will not modify historical documents that have been submitted. The historical documents will be preserved as they are iterative indicators of the approval process. The OCIO will rely on other methods and systems, such as OPO Acquisition Tracking application, Contracting Officer Representative records or other appropriate sources to track changes in the investment over time.

I appreciate the opportunity to respond to this draft report. If you have any questions regarding our response, please contact Associate Chief Information Officer, [REDACTED], at [REDACTED] or [REDACTED].



Report Fraud, Waste, and Mismanagement

Fraud, waste, and mismanagement in Government concerns everyone: Office of the Inspector General staff, agency employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to OPM programs and operations. You can report allegations to us in several ways:

By Internet: <http://www.opm.gov/our-inspector-general/hotline-to-report-fraud-waste-or-abuse>

By Phone: Toll Free Number: (877) 499-7295
Washington Metro Area: (202) 606-2423

By Mail: Office of the Inspector General
U.S. Office of Personnel Management
1900 E Street, NW
Room 6400
Washington, DC 20415-1100

– CAUTION –