



Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

Management Advisory Report

The Social Security
Administration's Information
Technology Investment Process

A-14-18-50437 September 2022



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 12, 2022

Refer to: A-14-18-50437

To: Kilolo Kijakazi
Acting Commissioner

From: Gail S. Ennis, *Gail S. Ennis*
Inspector General

Subject: The Social Security Administration's Information Technology Investment Process

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration's Information Technology Investment Process supports strategic decision making and allows the Agency to plan for, manage, and implement information technology investments as projected.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Michelle L. Anderson, Assistant Inspector General for Audit.

Attachment

The Social Security Administration's Information Technology Investment Process

A-14-18-50437



September 2022

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration's (SSA) Information Technology Investment Process (ITIP) supports strategic decision making and allows the Agency to plan for, manage, and implement information technology (IT) investments as projected.

Background

SSA established ITIP in 2016 to provide guidance on the selection, tracking, and management of IT investments. The goal was to optimize IT investments and ensure those investments were delivered on time and on budget. Since its inception, ITIP has undergone changes including the creation of ITIP Online, updated templates and documentation that considered Agile and Product Management, and the creation of the IT Investment Review Board and Investment Advisory group.

ITIP organizes the Office of Systems' IT investment decision-making process into four phases: Plan, Select, Control, and Evaluate.

Results

After we started our audit, SSA informed us it was developing a new process for ITIP. For this reason, we discontinued our audit. However, we noted several issues with ITIP that could prevent it from supporting strategic decision-making and allowing the Agency to plan for, manage, and implement IT investments as projected.

Recommendations

We made recommendations to address issues in:

- Process documentation,
- IT Investment Process supporting tools,
- Approval of Agency IT investments,
- The Evaluate phase, and
- Meeting Federal requirements.

We plan to initiate a review of SSA's IT investment processes, including ITIP and projects that are not subject to ITIP requirements. SSA should keep us informed of the progress of its IT Investment Governance Refresh and other decisions it makes for its IT investment processes.

SSA agreed with our recommendations.

TABLE OF CONTENTS

Objective.....	1
Background.....	1
Results of Review	3
Process Documentation	3
Supporting Tools.....	4
Investments Included in the Information Technology Investment Process	4
The Control and Evaluate Phases.....	5
Conclusion	5
Recommendations	6
Agency Comments.....	6
Appendix A –Scope and Methodology	A-1
Appendix B – Agency Comments.....	B-1

ABBREVIATIONS

CIO	Chief Information Officer
IT	Information Technology
ITIP	Information Technology Investment Process
IT IRB	Information Technology Investment Review Board
OIG	Office of the Inspector General
OMB	Office of Management and Budget
Pub. L. No.	Public Law Number
SSA	Social Security Administration
U.S.C.	United States Code

OBJECTIVE

Our objective was to determine whether the Social Security Administration’s (SSA) Information Technology Investment Process (ITIP) supports strategic decision making and allows the Agency to plan for, manage, and implement information technology (IT) investments as projected.

BACKGROUND

Several statutes and policies focus on improving the efficiency and effectiveness of Federal agencies that manage Federal IT projects.

1. The *Federal Information Technology Acquisition Reform Act of 2014* modifies the framework governing the management of IT in the Government to reduce duplication and waste, consolidate acquisition and management functions, and increase cost savings.¹
2. The *Clinger-Cohen Act of 1996* requires that agencies use a disciplined capital planning and investment control process to acquire, use, maintain, and dispose of IT and help meet the Agency’s strategic goals.²
3. Office of Management and Budget (OMB) *Circular A-130, Management of Federal Information Resources*, manages Federal information resources and ensures they provide value.³

SSA established ITIP in 2016 to provide guidance on selecting, tracking, and managing IT investments. The goal was to optimize IT investments and ensure the investments were delivered on time and on budget. Since its inception, ITIP has undergone changes, including the creation of ITIP Online, and an update of templates and documentation that considered Agile and Product Management. Additionally, SSA created the IT Investment Review Board (IT IRB) to strengthen oversight and governance.

As part of the IT IRB, the Agency established an IT investment staff to support the investment management process. This included using ITIP Online and the Investment Management Tool, which SSA uses to manage its investments and share information about the Agency’s IT process, investment proposals, and portfolio.

The Division of Investment Management & Enterprise Support within SSA’s Office of IT Financial Management Support is responsible for ITIP. ITIP organizes the Office of Systems’ IT investment decision-making process into four phases: Plan, Select, Control, and Evaluate.

¹ Title VIII, subtitle D, *Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015*, Pub. L. No. 113-291, 128 Stat 3442 (2014).

² *Clinger-Cohen Act*, Pub. L. No. 104-106, 110 Stat. 186, § 5125(d).

³ OMB, *Managing Information as a Strategic Resource, A-130, sec. 2, p. 2 and sec. 5, part b. 6, p. 9 (2016)*.

1. The **Plan** phase assesses proposed IT solutions for unmet requirements. During this phase, “. . . the business or funding need is identified and relationships to the agency strategic planning efforts are established.”⁴ This phase provides an opportunity to focus efforts and further the development of the initiative’s concept. This Plan phase begins when the business sponsor identifies a business need and ends when the ITIP Team schedules the proposal for an investment decision by the IT IRB or Chief Information Officer (CIO).
2. The **Select** phase assesses the costs and benefits of all proposed investments/funding requests and selects the optimal portfolio of IT investments. This phase focuses on developing and selecting an IT portfolio that supports SSA’s mission and strategic goals. “Individual investments are evaluated in terms of technical alignment with other IT systems and other cost, schedule, performance, benefit and risk criteria.” In this phase, SSA reviews and prioritizes IT initiatives to inform decisions about which investments/funding requests will be financed in the coming year.⁵ The Select phase ends when the IT IRB or CIO approves/denies an investment proposal.
3. The **Control** phase ensures—through timely oversight, quality control, and executive review—that the Agency is conducting IT initiatives in a disciplined, well-managed, and consistent manner. This process enables the effective management of the Agency’s IT investments. This phase sets in place a structured process to provide senior managers accurate information that will allow them to make timely decisions. The Control phase begins after the Agency has selected, budgeted, and funded investments.⁶
4. The **Evaluate** phase determines whether an IT investment has met its intended objectives and yielded expected benefits as projected in the business case. “The Evaluate phase ‘closes the loop’ of the IT investment management process by comparing actual against estimates in order to assess the performance and identify areas where decision making can be improved.”⁷

⁴ SSA, *SSA’s Information Technology Guide to Capital Planning and Investment Control*, version 6.0, pp. 14 and 15 (September 2019).

⁵ SSA, *SSA’s Information Technology Guide to Capital Planning and Investment Control*, version 6.0, pp. 15 through 17 (September 2019).

⁶ SSA, *SSA’s Information Technology Guide to Capital Planning and Investment Control*, version 6.0, pp. 17 through 20 (September 2019).

⁷ SSA, *SSA’s Information Technology Guide to Capital Planning and Investment Control*, version 6.0, pp. 20 through 23 (September 2019).

RESULTS OF REVIEW

After we started our audit, SSA informed us it was developing a new process for ITIP. For this reason, we discontinued our audit. However, we noted several issues with ITIP that could prevent it from supporting strategic decision making and allowing the Agency to plan for, manage, and implement IT investments as projected. Based on our work thus far and the information provided to us, we included a summary of our observations and recommendations for SSA as it develops a new process.

Process Documentation

ITIP Online is the main source of information related to ITIP. The CIO's SharePoint site houses meeting minutes that detail decisions made during IT IRB meetings, and the Investment Management Tool houses documentation related to ITIP decisions and ongoing projects. However, process documentation did not include the other governance authorities or processes involved and/or consulted in the review of investment ideas. Other SSA governance authorities that could be involved and/or consulted are the Architecture Review Board⁸ and the Division of Enterprise Program Management Operations.⁹

SSA houses outdated process documentation on the ITIP SharePoint site. Additionally, some documentation we reviewed was undeveloped and lacked details pertaining to ITIP that may be helpful for external users. The documentation does not contain headings, logos, or other information that shows the document pertains to SSA or the owning component. In addition, there is no information related to the author, approver, versioning, or timing. Finally, some of the information in ITIP Online and the Investment Management Tool is not current.

Housing information in multiple places or incomplete/outdated process documentation makes finding information related to specific investments difficult and could lead to a lack of transparency.

⁸ The Architecture Review Board is headed by the SSA Chief Architect and acts under the authority of the CIO and Deputy Commissioner for Systems. As part of the Enterprise Architecture program, the Architecture Review Board reviews, approves, and provides guidance to SSA IT projects and plans to ensure their alignment with the Agency Enterprise Architecture.

⁹ The Division of Enterprise Program Management Operations is a service organization created to support the Agency's programs and projects management.

Supporting Tools

We found multiple inconsistencies regarding data governance and integrity within the Investment Management Tool and ITIP Online. Data were not always appropriately linked between the two systems, which may interfere with the proper management of the investments. Additionally, the CIO approved some ITIP proposals that had no documentation in ITIP Online records. SSA stated it is possible for a project to have no documentation attached, but the ITIP team strives to have documentation attached for all proposals. Our high-level review of the ITIP Online inventory found there are inconsistencies related to how SSA manages investment records. Specifically, all fields are not designed or required to be populated; and investment documentation is not always attached to the investment record.

Investments Included in the Information Technology Investment Process

The Office of the Deputy Commissioner for Systems has a number of IT investments that are not required to, and do not, go through ITIP for review or to obtain approval for funding, including:

- small-scale exploratory IT projects that are new to the Agency;
- investments that have a separate budget line item; and
- the maintenance of current investments.

Additionally, the CIO can approve investments under \$1 million. Some investments may go through ITIP, and, based on the investment's impact or size, no longer be part of ITIP.

Finally, other Agency components' IT investments do not go through ITIP unless the component needs to use Deputy Commissioner for Systems resources. When the investment stands alone within a non-Systems component, it will not go through ITIP or the CIO for approval.¹⁰ For example, if the Office of the Deputy Commissioner of Operations personnel created a system but did not use resources from the Deputy Commissioner for Systems; that investment would not go to ITIP or the CIO for approval. Therefore, SSA does not have insight into IT investments being developed and/or executed Agency wide, as required by Federal standards.¹¹

¹⁰ The investment may go to the IT IRB for approval. However, the scope of this audit was ITIP.

¹¹ 40 U.S.C. § 11312(a), (b)(1).

The Control and Evaluate Phases

During the Control phase, the Agency should ensure, through timely oversight, quality control, and executive review, that IT initiatives are conducted in a disciplined, well-managed, and consistent manner. This enables the effective management of the Agency's IT investments.¹² SSA has established a process for reviewing and assessing investment progress. The goal of these reviews is to provide executives the information they need to assess progress with an increased focus on value delivery and business outcomes. These reviews occur each month and compare investment-level data against approved IT IRB baselines. The Associate and Deputy Commissioners review cost, schedule, scope, risks, and the value of the investment to consider whether any changes are required.

The Evaluate phase assesses the performance of the IT investment and identifies areas where decision making can be improved. This phase includes such activities as a Post-Implementation Review¹³ of implemented or canceled investments, a Project Close Out,¹⁴ and an assessment of IT Capital Planning and Investment Control processes.

The Post-Implementation Review Guide provides a template and scoring criteria so the ITIP team can implement a standard process when conducting its Post-Implementation Reviews. However, according to the Agency, "The [Post-Implementation Review] is part of IT [Investment] governance refresh. The plan is to bring this process under ITIP more. The Agency is in the beginning of the refresh of the [Post-Implementation Review]."

CONCLUSION

While the Agency is changing the ITIP process during the IT Investment Governance Refresh, it should ensure:

- all Agency IT investments receive approval through ITIP;
- investments are aligned to SSA's strategic goals; and
- investments accurately communicate the value to be delivered to the Agency.

We plan to initiate a review of SSA's IT investment processes, including ITIP and projects that are not subject to ITIP requirements. As directed in OMB's 2021 memorandum on Agency cooperation with Inspectors General,¹⁵ SSA should keep us informed of the progress of its IT Investment Governance Refresh and other decisions it makes for its IT investment processes.

¹² Successful implementation of control phase processes will help SSA identify poorly performing projects, decrease time to correct poorly performing projects, and improve investment risk management. SSA, *SSA's Information Technology Guide to Capital Planning and Investment Control*, version 6.0, sec. 10.3, p. 20 (September 24, 2019).

¹³ The Post-Implementation Review is used to facilitate feedback on an investment's overall processes and its refinement. SSA, *SSA's Information Technology Guide to Capital Planning and Investment Control*, version 6.0, p. 22 (September 24, 2019).

¹⁴ This phase begins after all release activities have finished and included: evaluating the outcome of the project; ensuring that any lessons learned are shared; releasing resources used by the project; and reviewing benefits achieved at the end of the project. SSA, *SSA's Information Technology Guide to Capital Planning and Investment Control*, version 6.0, section 11.4, sec. 11.5, p. 21 (September 24, 2019).

¹⁵ OMB, *Promoting Accountability through Cooperation among Agencies and Inspectors General*, M-22-04 (2021).

RECOMMENDATIONS

We recommend SSA:

1. Update policies, procedures, the ITIP SharePoint site, and other documentation to ensure the information is current and the author, version history, and other helpful information is included.
2. Update its use of ITIP Online and the Investment Management Tool, including removing outdated policies and procedure and implementing policies regarding the data housed in both tools to ensure all fields that are deemed required be clearly identified and documentation is attached.

AGENCY COMMENTS

SSA agreed with all recommendations. See Appendix B for the full text of SSA's comments.



Michelle L. Anderson
Assistant Inspector General for Audit

APPENDICES

Appendix A –SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed applicable Federal laws and related guidance to metric responses, including the following:
 - *Clinger-Cohen Act*;
 - *Federal Information Technology Acquisition Reform Act*; and
 - Office of Management and Budget, *Circular No. A-11, Preparation, Submission, and Execution of the Budget*, July 28, 2016.
- Reviewed the Social Security Administration's (SSA) Internal Policies:
 - IT Investment Review Board Charter, May 2017;
 - Office of Systems Project Management Guidebook, v5, August 2019; and
 - Chief Information Officer Responsibilities, January 15, 2020.
- Interviewed or contacted SSA staff in the Office of Systems, Office of Information Technology Financial Management Support, and Division of Investment Management & Enterprise Support.

We did not conduct this performance audit in accordance with generally accepted government auditing standards.

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: September 1, 2022

Refer To: TQA-1

To: Gail S. Ennis
Inspector General

From: Scott Frey 
Chief of Staff

Subject: Office of the Inspector General Draft Management Advisory Report “The Social Security Administration’s Information Technology Investment Process” (A-14-18-50437) —
INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations.

Please let me know if I can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.



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