



At a Glance

Why We Did This Audit

The Office of Management and Budget requires federal agencies to report information technology (IT) investments. The U.S. Environmental Protection Agency's (EPA's) policy states that it "... select[s] IT investments that support the Agency mission and align with its business needs, manage such investments with the goals of minimizing risks and maximizing returns, and evaluate the investments' results." Our objective for this audit was to determine whether the EPA's IT investments are managed efficiently and effectively to meet the agency's strategic goals and mission.

This report addresses the following EPA goal or cross-agency strategy:

- *Embracing EPA as a high-performing organization.*

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The full report is at: www.epa.gov/oig/reports/2015/20150922-15-P-0292.pdf

EPA Needs to Improve Recording Information Technology Investments and Issue a Policy Covering All Investments

What We Found

The EPA's Capital Planning and Investment Control (CPIC) is the agency's process for managing its IT investments. The EPA's method for recording all IT systems is the Registry of EPA Applications, Models and Databases (READ). EPA needs to require all investments recorded in CPIC to be recorded in READ, provided the investment meets the inclusion criteria. In addition, the EPA needs to issue a formal policy reflecting the actual practices for its CPIC process. We identified:

The EPA management of its \$334 million in IT investments is noncompliant with its current policy. Thus, the EPA is at risk of not managing taxpayer dollars properly.

- A Major investment with a fiscal year 2015 budget of \$15 million that was covered by the CPIC process but not recorded in READ.
- The CPIC process policy did not reflect the EPA's analyses of Medium and Lite investments with a total budget of over \$83 million.

The EPA indicated the Major investment did not meet the definition of an application or system. However, when we found it missing from READ, the EPA recorded it in its systems inventory. Thereafter, the EPA reversed its stance and decided it should not be included in READ. We believe that if investments meet the READ inclusion criteria, the EPA needs to require that all CPIC investments are recorded. The EPA also stated that the CPIC process policy revision was started in 2014 to include analysis procedures for Medium and Lite investments, but remains incomplete.

By not having an updated policy to reflect the current CPIC processes and practices related to Medium and Lite investments, the EPA increases the risk that these investments are not considered in its analysis and review of investments reported to the Office of Management and Budget.

Recommendations and Agency Corrective Action

We recommend the EPA update the CPIC process policy to require investments that meet the inclusion criteria be recorded in READ, the agency's systems inventory. Additionally, we recommend the EPA update the CPIC process policy to include a requirement to document the agency's formal evaluations of all Medium and Lite investments. We met with the agency after receiving the response and decided to modify the first recommendation. The EPA agreed with the recommendations and provided planned corrective actions and completion dates.