

USING THE FEDERAL INFORMATION TECHNOLOGY ACQUISITION REFORM ACT (FITARA) AS A LEVER FOR CHANGE

Submitted by the General Services Administration Office of Government-wide Policy, Office of
Information, Integrity & Access to:

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1. EXECUTIVE SUMMARY

The Federal Information Technology Acquisition Reform Act (FITARA), enacted December 19, 2014,¹ represents the most significant update to the management of information technology (IT) since the Clinger-Cohen Act of 1996. The intent of FITARA is simple: to improve the management of IT in Federal Agencies by empowering Federal executives to become effective strategic partners to mission programs.

FITARA seeks to improve how the Federal Government acquires, implements, and manages its IT investments in four primary ways. First, the law gives the Agency Chief Information Officer (CIO) more authority over the budget, governance, and personnel processes for Agency IT investments. Second, FITARA ensures that Agency IT investments remain transparent to the public and requires Agencies to review troubled investments. Third, to eliminate duplication and waste, FITARA requires Agencies to review all their IT investments annually. Fourth, the law codifies and builds on the Administration's efforts to consolidate and streamline data centers. This document focuses on the Office of Management and Budget's (OMB) policy goal of increasing the authority of Agency CIOs over the management of IT through the establishment of a "Common Baseline" of critical IT investment and oversight processes

To implement FITARA, OMB issued guidance that required each of the 24 CFO Act Agencies to conduct a self-assessment of their current IT management capabilities against a "Common Baseline," and identify implementation plans to improve their management practices where necessary. GSA assisted in the review of agency's self-assessments and implementation plans and has developed the following recommendations to assist OMB's overall goal of increasing Agency CIOs authority of IT management:

- *OMB Should Continue to Use the PortfolioStat Process for FITARA Oversight* - Internal Agency reviews and quarterly PortfolioStat sessions offer a unique opportunity for Agency leadership to work directly with OMB to discuss any challenges they are facing in implementing FITARA. It is critical that OMB continues to use PortfolioStat sessions to stimulate open dialogue with the agencies and to collaboratively address challenges.
- *OMB and Agencies Should Emphasize and Promote Better Vertical Collaboration and Communication* - Achieving the goals of FITARA requires a diverse group of stakeholders, from across the Agency, to collaborate on a proactive and ongoing basis. CIO offices should proactively communicate Agency IT standards and guidelines to enable program office IT activities to better align with the Agency's IT direction.
- *Managing Cultural Change Must be a Priority* - For many Agencies, the changes in culture and management practices required under FITARA represent a major transformation from the normal way of doing business. Agencies need to be aware that these changes may significantly disrupt the "status quo" at an agency and should adopt a comprehensive change management approach and mindset to make the transformations more effective and enduring.
- *OMB and Agencies should Leverage Existing Forums and Councils to Further FITARA Implementation* - Additional efforts should be made to leverage the Executive Councils, as well as the Performance Improvement Council and President's Management Council, to provide timely information on FITARA implementation, and provide best practices, templates, or other relevant documents.

¹ FITARA was enacted under Title VIII, Subtitle D of the National Defense Authorization Act (NDAA) for Fiscal Year 2015, Pub. L. No. 113-291.

- *OMB Should Use the CIO Council to Identify Enhancements to the IT Dashboard* - The IT Dashboard provides a powerful tool for OMB and Agencies to maintain effective oversight of IT projects. OMB and the CIO Council should convene a short-term working group composed of several CIOs, OMB Desk Officers, and other CXOs (as appropriate) to review the current IT Dashboard and recommend enhancements to its reporting.
- *OMB Should Use the Annual April Agency Submissions to Continue to Further Implement and Evolve FITARA Policy and Guidance* - For the foreseeable future, the April FITARA submission process will help Agencies focus on implementing FITARA while also providing OMB and the Agencies an annual opportunity to reassess the maturity of Agency IT governance processes. OMB and Agencies should work towards establishing a more formal scorecard and use the annual April submissions to fine-tune how agencies judge their IT maturity and identify ways to integrate consistent budget, acquisition, and workforce development practices.
- *Agencies Should Adopt an Agile-First Approach to Acquisitions* - Agencies should require that any acquisition strategy that does not use an agile approach include a brief written justification explaining the rationale. The CIO should then either approve the exception or require that the acquisition staff re-evaluate the proposed strategy before gaining approval.
- *Agencies Should Consider Innovative Approaches to Prepare CIOs for Expanded Leadership Roles* - Some CIOs (or potential CIOs) may need help meeting the challenges presented by their expanded leadership, management roles, and responsibilities under FITARA. Agency leaders should pay close attention to the leadership and management accomplishments and training of such candidates, as well as their technical skills.
- *Engagement with Industry and Other Partners* - There is widespread industry and association interest in maintaining the momentum to implement FITARA and transform Federal IT. OMB should work with industry and other partner organizations to help inform ongoing efforts to transform Federal IT practices.

1.1 FITARA Overview and OMB Guidance

The Federal Information Technology Acquisition Reform Act (FITARA)² represents the most significant update to the management of IT since the Clinger-Cohen Act of 1996. The intent of FITARA is simple: to improve the management of IT in Federal Agencies by empowering Federal executives to become effective strategic partners to mission programs.

FITARA seeks to improve how the Federal Government acquires, implements, and manages its IT investments in four primary ways. First, the law gives the Agency Chief Information Officer (CIO) more authority over the budget, governance, and personnel processes for Agency IT investments. Second, FITARA ensures that Agency IT investments remain transparent to the public and requires Agencies to review troubled investments. Third, to eliminate duplication and waste, FITARA requires Agencies to review all their IT investments annually. Fourth, the law codifies and builds on the Administration's efforts to consolidate and streamline data centers.

In June 2015, the Office of Management and Budget (OMB) issued OMB Memorandum 15-14 (M-15-14), which provided Federal Agencies with guidance for the implementation of FITARA. To meet the requirements of FITARA and to assist Agencies in improving their management practices, M-15-14

² FITARA was enacted under Title VIII, Subtitle D of the National Defense Authorization Act (NDAA) for Fiscal Year 2015, Pub. L. No. 113-291.

established a “Common Baseline” of the roles, responsibilities, and authorities expected of Agency CIOs, as well as the roles and responsibilities of other applicable senior Agency officials involved in the management of IT. The Common Baseline identifies critical IT investment and oversight processes and provides a standard criteria against which an organization can be evaluated. By assessing themselves against the Common Baseline, agencies could improve executive visibility into IT spending, help foster stronger partnerships across Agency executive suites³ and with program leaders, and create a solid understanding of the critical role that IT plays in serving Agencies’ missions. The critical knowledge base identified by the Common Baseline, in addition to the information provided by initial Agency assessments against the Common Baseline, does not currently exist consistently throughout the Federal Government and the Common Baseline represents the first step towards establishing this necessary element for good IT management practices.

Under OMB M-15-14, each of the 24 CFO Act Agencies⁴ must conduct a self-assessment of their current IT management capabilities, and identify implementation plans to improve their management practices where necessary.⁵ Once executed, an Agency’s implementation plan should provide the Agency CIO and other senior officials increased visibility into the inner workings of their organization and ultimately improve the management of IT throughout the Agency. Specifically, Agencies are required to assess themselves in four functional areas: (1) budget planning and formulation; (2) budget execution; (3) acquisition; and (4) organization and workforce.

1.2 Review of Agency FITARA Submissions

OMB asked the General Services Administration’s (GSA) Office of Government-wide Policy (OGP) to assist in reviewing and analyzing Agency self-assessments and implementation plans. To conduct this analysis, OGP brought in a specialized team of subject matter experts to review the specific elements found in the Common Baseline while also conducting a review across all Agencies of each functional area (e.g., acquisition, budget formulation). While OGP was performing a cross-cutting government-wide review to identify trends throughout the Federal Government, OMB was conducting its own independent review of each Agency self-assessment and implementation plan. Both OMB and OGP sought to determine if Agencies laid out a detailed path towards implementation of significant changes, as well as ensuring they are integrating both horizontally across an Agency (CIO-CFO-CAO level) and vertically within an Agency (Department CIO - Component CIO - Program Managers levels).

The in tandem reviews culminated in a three-day summit where OGP and OMB evaluated each Agency’s self-assessment and implementation plan to develop recommendations for how Agencies could improve their process. The cross-cutting nature of the functional area reviews coupled with the individual Agency reviews provided a more holistic picture of where the Agencies were lacking detail. This analysis allowed OMB and OGP to compare Agency submissions across the Federal Government, and pointed to those plans that demonstrated best practices or model behaviors. This joint analysis identified patterns and proven practices, resulting in the formulation of improved recommendations for each Agency. In addition,

³ For purposes of this report, references to “Agency executive suites” or similar terms refer to positions that are commonly involved in senior decisions at most Federal Agencies, including the Deputy Secretary or Chief Operating Officer, the Chief Acquisition Officer, the Chief Financial Officer, and the Chief Information Officers.

⁴ These Agencies are listed in 31 U.S.C. § 901 (b)(1) and (b)(2).

⁵ The first Agency self-assessments and implementation plans were to be submitted to OMB on August 15, 2015.

the summit meetings enabled the identification of several common challenges that Agencies faced in improving their management of IT, as well as opportunities for future OMB policy and guidance.

2. OVERVIEW OF AGENCY FUNCTIONAL REVIEWS AND FINDINGS

The following sections describe the four functional areas and individual elements of the Common Baseline and GSA's observations from its cross-cutting review of Agency submissions. This includes notable Agency best practices and significant challenges that Agencies continue to face in implementing FITARA and the Common Baseline.

2.1 Budget Formulation and Planning

FITARA seeks to ensure the active engagement of the CIO, Chief Financial Officer (CFO), and Chief Acquisition Officer (CAO) in budget formulation and planning activities related to IT resources and in defining Agency-wide governance around IT investments.

Generally, Agencies' existing practices and procedures do not provide full involvement of the CIO in all budget formulation and planning activities. Often, in situations where the CIO is involved, it is in the oversight of major IT investments, mostly at the Agency level, not at any bureau level. Agencies still have opportunities to involve CIOs in out-year FY17 and FY18 Planning, Programming, Budgeting, and Execution (PPBE) planning activities.

The majority of the Agency submissions showed that the CIO is often less involved in budget reprogramming activities, or in the review and approval of actions towards modification, termination, or suspension of IT investments. We found that this usually remains the purview of the CFO offices.

In terms of CIO's voting participation in Agency governance bodies, most plans refer to CIO membership at the Agency level and less frequently at the bureau level. In addition, these plans did not provide clear description of the CIO's visibility, participation, authority, and accountability in bureau governance bodies.

2.1.1 Notable Leading Practices from Agency Self-Assessments and Implementation Plans

Some Agencies identified, or have begun to implement, governance processes and procedures to involve the CIO in all budget formulation and planning activities. For example, the U.S. Department of Agriculture (USDA) is leveraging Agency memos and a Portfolio Management tool for workflow approval of investments to coordinate these activities. USDA implemented a "Budget Document" with IT resources, which is used as input into the Capital Planning and Enterprise Architecture data.

Other governance reforms may also serve as best practices government-wide. For example, the U.S. Environmental Protection Agency (EPA) has a Capital Planning and Investment Control (CPIC) process built around iterative documentation, which provides the CIO with an early look at proposed IT investment estimates. EPA is also implementing multiple budget conferences to obtain and approve final guidance to programs. In addition, EPA will conduct a pilot with one program office and one regional

office to develop templates and standard operating procedures (SOPs) that synchronize information requirements with the CFO and CAO and reduce redundant data calls on IT programs.

Other Agencies relied on governance boards to achieve full integration of the CIO in the activities of this section. For example, the National Science Foundation (NSF) implemented governance boards, such as the Executive Information Technology Resources Board (ITRB) and the CPIC where the CIO along with the Agency Chief Executive Officers (CXOs)⁶ jointly manage the Agency's IT portfolio and compliance with Federal laws, regulations, and directives. NSF provides ongoing oversight via monthly reviews of IT investments, which results in updates to the Federal IT Dashboard.

2.1.2 Significant Challenges from Agency Self-Assessments and Implementation Plans

In general, most Agencies did not have clear governance structures that fully integrated the CIO in all budget formulation and planning activities during the IT program lifecycle. If involved, most CIO⁷ activities were limited to major IT investments or IT resources at the Agency level and not at the bureau level of the organization.

Some Agencies provided references in their Implementation Plans confirming the CIO's role in reviewing various budget artifacts related to IT investments, but did not provide sufficient detail on the CIO's approval of acquisition artifacts, such as review and approval of new or revised acquisition strategies and plans.

2.2 Budget Execution

FITARA requires Agencies to establish ongoing and active involvement of the CIO with the CFO, CAO, and program managers in all budget execution activities related to the evaluation of IT resources, planned expenditures, and governance around IT policies and procedures.

Overall, current practices and implementation plans present more opportunities for vertical integration between Agency CIOs and their bureau counterparts. At many Agencies, CIOs tend to be predominantly involved in only the Agency-level review of IT investment activities. CIOs do not have extensive visibility of bureau level IT resources, and involvement with Agency program managers is limited.

Most plans noted CIOs' limited role in monitoring and evaluating IT budget execution activities including planned expenditures, evaluation of IT performance, or reprogramming of budgetary actions. As noted in the Budget Formulation and Planning section, CIOs' involvement is, generally, unclear in actions to determine modification, termination, or pause of IT investments.

Agencies generally noted gaps in their self-assessment and implementation plans within Budget Execution. Most Agencies describe steps that they are, or will be taking, to prepare or implement

⁶ Throughout this document, the C-level executives, collectively, will be referred to as the "CXO" community.

⁷ For the purposes of this report, bureau is used to describe a principal subordinate organizational unit of an agency as defined in Section 20 of OMB Circular A-11.

governance policies and procedures to address these gaps. However, these plans often have unspecified time frames for completing the intended changes.

2.2.1 Notable Leading Practices from Agency Self-Assessments and Implementation Plans

Some Agencies noted existing practices to engage the CIO with program managers in the oversight of budget execution activities in line with Agency's strategic objectives. For example, NSF described its IT Dashboards and Continuous Improvement Program (CIP) process to review IT investments throughout the IT lifecycle. This process consists of weekly review meetings with the Deputy CIO, an IT Dashboard for tracking IT performance, metrics, schedule, cost and risks, and a CIP to review deliverables. NSF's CIO integration into organizational improvement initiatives is a good example of the type of impact that FITARA aims to achieve through the expansion of the CIO's role in an agency.

2.2.2 Significant Challenges from Agency Self-Assessments and Implementation Plans

Agencies continue to have opportunities for stronger vertical integration across the CXO suite as well as better horizontal integration with components and bureaus to ensure that there is clear communication with program managers. In addition, this integration ensures CIOs' visibility into IT programs in all budget execution activities. In the area of governance boards, Agencies continue to face challenges identifying clear authority and accountability for the CIO in these governing bodies.

The lack of full integration of the CIO in all budget formulation activities was also reflected in the CIO's limited involvement in budget execution activities. For example, Agency plans regarding CIO involvement in reviews of IT performance or planned expenditures did not illuminate the CIO's empowerment to make modification, termination, or pause actions for applicable IT programs and projects. In addition, despite the reprogramming requirements in FITARA and the Common Baseline, most Agencies were not explicit in confirming the CIO's approval authority to halt, modify, or terminate IT investments within their FITARA submissions.

2.3 Acquisition

The Acquisition section of the FITARA Common Baseline directs Agencies to carry out a series of process reforms to improve the management and oversight of IT acquisitions. The requirements for Agency CIOs and their CXO counterparts focus on reviewing and approving all IT acquisition plans, cost estimates, and modifications to ensure that certified personnel lead all IT investments, including specialized IT certifications (e.g., incremental development) where appropriate. In addition, CAOs are to support the CIO in ensuring that all IT investments are identified for review.

Agencies have generally adopted three primary approaches for ensuring the CIO's review and approval of acquisitions. These approaches generally built upon existing CPIC processes.

1. CIO Reviews All: Either directly or through a governance board, the CIO reviews and approves all acquisition artifacts, cost estimates, and modifications.
2. Governance Boards: Investments go through an Investment Review Board (IRB), of which the CIO is a voting or leading member (typically a co-chair).
3. Hybrid Approach: IRBs are used for major investments, while direct CIO and/or delegated approvals for items below specified thresholds are based on published Agency policies.

Plans could also be improved if Agencies provide additional details on how the CIO retains involvement throughout the lifecycle of projects, instead of only the earlier acquisition phases.

2.3.1 Notable Leading Practices from Agency Self-Assessments and Implementation Plans

Agencies typically leverage their existing CPIC process as the foundation to expand reviews to all IT projects, including “hidden” or “shadow” IT efforts.⁸ One notable practice was USDA’s use of a tiered governance process that allows its bureaus to conduct an IRB review including the bureau level CIO. As depicted in Figure 1 below, the USDA governance process flows up to the Agency level Executive Information Technology Investment Review Board (E-Board) and Integrated Advisory Board to ensure compliance with Agency strategic planning and policies.

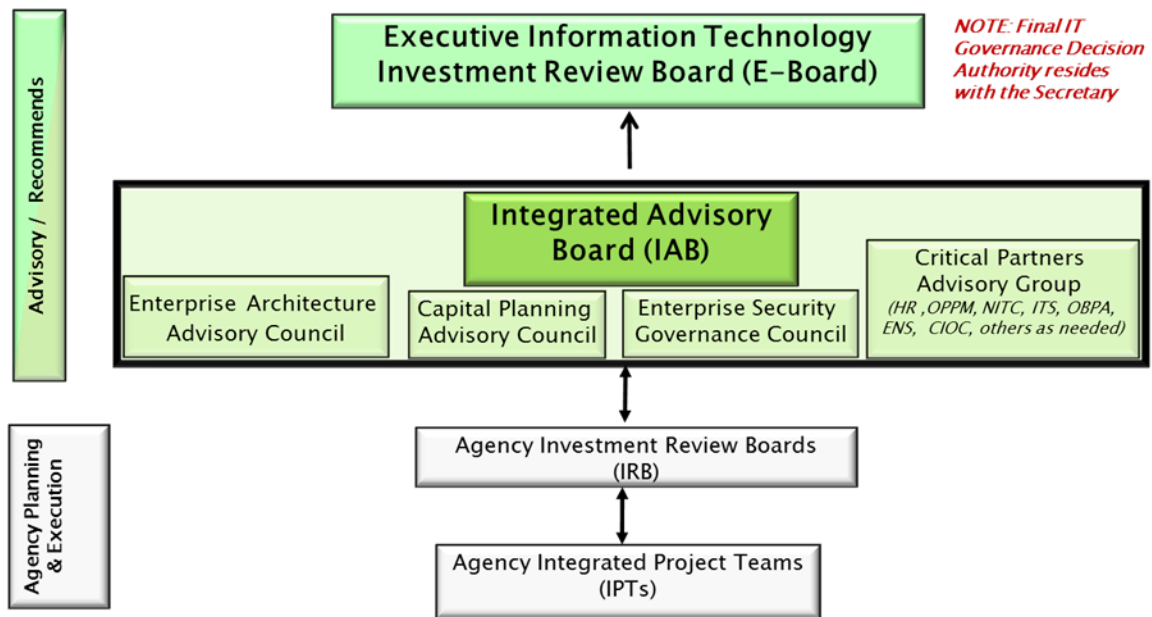


Figure 1. USDA’s Integrated Information Technology Governance Framework (IITGF)

⁸ Refers to spending on IT that is not fully transparent to the agency CIO and/or IT resources included as a portion of a program that is not primarily of an “information technology” purpose but delivers IT capabilities or contains IT resources.

Alternatively, the U.S. Department of Homeland Security (DHS) used a clearly defined delegation scheme to ensure that workload was distributed among bureau CIOs and that accountability flowed back up to the Agency CIO through a defined process. The Agency CIO also maintained direct involvement in any identified major IT investments, or investments that met clearly defined criteria.

In addition to expanding IT reviews, Agencies provided varying levels of detail about the type of information reviewed throughout this process. EPA developed a detailed checklist to guide IT reviews, providing both clarity to project managers, and a holistic view for the CIO to conduct reviews. This detailed checklist went above and beyond the requirements outlined in M-15-14, and demonstrated how the FITARA requirements should be incorporated into the Agency's strategic IT perspective to drive the mission.

2.3.2 Significant Challenges from Agency Self-Assessments and Implementation Plans

Agencies largely demonstrated three primary weaknesses in their plans.

- First, insufficient information was provided to outline how the CIO retains accountability for delegated approvals and actions. Requiring every agency to submit a CIO Assignment Plan, which OMB originally cited as optional in M-15-14, would help outline how such accountability is maintained.
- Second, Agencies need to enhance their descriptions of how the various governance boards interact in regard to the acquisition processes. Most plans provided links to charters or similar information, instead of providing a narrative description to ensure a clear, unified explanation of their functions.
- Finally, additional information should be provided on how Agencies identify and maintain certifications for their project staff, in particular for incremental development projects.

2.4 Organization and Workforce

FITARA seeks to ensure the active engagement of the CIO, as well as the CHCO and CAO, in aspects of organization and workforce related to managing bureau CIO positions, competency requirements, and planning for the IT workforce and organizational reporting structures.

The most consistent gaps across reporting Agencies entailed developing competency requirements for IT staff, including IT leadership positions, and maintaining a current workforce planning process. As a result of weak competency assessments and workforce planning processes, employee development and recruitment efforts may be poorly targeted, minimizing the impact of IT staff on Agency IT programs and investments.

Several Organization and Workforce sections in Agency plans examine the vertical links from the Agency CIO to the bureau's: approval of new bureau CIOs, providing input to performance evaluations for "key bureau CIOs," and publishing a list of all bureau officials with CIO duties. These links are not always present, with some CIOs approving new bureau CIOs, but others having only input to the search criteria.

Only some Agency CIOs have input into bureau-level CIO performance evaluations. Having these organizational personnel structures in place does not guarantee vertical integration, but supports the Agency CIO's effective participation in the bureaus' IT budgeting and acquisition processes.

2.4.1 Notable Leading Practices from Agency Self-Assessments and Implementation Plans

Agencies that have identified IT competencies, for their current IT workforce and for new hires, have generally leveraged or tailored existing competency models, such as those for the 2210 occupational series, the Office of Personnel Management's (OPM) IT Program Manager Career Path Guide, or the Federal Acquisition Certification for Program and Project Managers (FAC-P/PM) IT Core-Plus Competency Model. These models may be supplemented with additional technical or other future-focused competencies, such as cybersecurity, emerging technologies, or other Agency-specific requirements. Some Agencies, for example USDA and the Department of Veterans Affairs (VA), are using their existing Learning Management Systems (LMS) to conduct competency assessments. Additionally, commercial survey tools are also easy to use and effective. Strategies to fill the competency gaps – the differences between the Agency's required proficiency standard and the employee's rated proficiency – include training, mentoring, or special work assignments.

Parallel reporting structures, such as all CXOs reporting to the Agency head or to the Deputy Secretary/COO, have the potential to promote communication and coordination across the CXO suite. Such integration enhances the likelihood that decisions include multiple perspectives and that the Agency's CXOs are well informed about the budget, acquisition, and workforce requirements for supporting future IT.

2.4.2 Significant Challenges from Agency Self-Assessments and Implementation Plans

Agencies differed widely in their progress concerning well-defined competencies and ongoing workforce planning processes. Several Agencies utilize competency models, but did not speak to ongoing assessment activities. One Agency had an IT workforce plan, but noted that it was out of date. Several emphasized their recruiting efforts, including short-term appointments that lend themselves to gaining expertise in new and rapidly evolving technologies. However, it was unclear whether competency gaps or workforce plans were actually guiding recruiting. Competency gaps, especially where competencies are attuned to changing technologies, point Agencies toward the training required both to maintain and improve current skills, and engage the new IT workforce. Further, and especially in today's competitive labor market, attracting and retaining new IT talent requires offering opportunities to keep skills fresh and work with new technologies.

Agencies also differ in the extent to which they adopt other FITARA Organization and Workforce processes. IT leadership directories, when included or referenced, lacked some of FITARA's required fields, such as designating "key bureau CIOs" or the bureau CIOs' performance rating and reviewing officials. Agencies that do not have formal bureaus did not, in general, specify individuals with CIO-like responsibilities within their organization and workforce structure(s). Some Agencies lack an Agency-wide critical performance element for all bureau CIOs, and some Agency CIOs have no input to their

performance reviews. Ensuring that the Agency CIO is contributing to performance evaluations can create a useful vertical link between bureau and Agency CIOs.

3. RECOMMENDATIONS FOR THE IMPLEMENTATION OF FITARA

While it is easy to identify activities that have the appearance of improving performance, it is more difficult to develop practices that actually change behavior. One of the goals of FITARA is to promote the CIO's leadership, involvement, and ownership in Agency decision-making. To achieve organizational change, there must be strong leadership, open communication, and a shared commitment to mission. Therefore, a key factor in making FITARA successful is to take steps to have effective leadership throughout the Agency committed to making the changes necessary under FITARA. With the continuous involvement of Agency leadership and sustained oversight by OMB and Congress, FITARA and the Common Baseline can serve as the vehicle to close the gap between OMB guidance and Agency execution. Below is a list of recommendations to continue to build off and sustain the momentum generated by the initial baseline self-assessments to increase accountability across the 24 reporting Agencies.

3.1 OMB Should Continue to Use the PortfolioStat Process for FITARA Oversight

OMB has begun to incorporate FITARA reviews into PortfolioStat, a quarterly review session between OMB and Agencies. PortfolioStat is a powerful tool to monitor Agency IT implementation efforts and OMB should continue to use these review sessions to measure Agency's future self-assessments and track Agency improvement against the Common Baseline. PortfolioStat sessions offer a unique opportunity for Agency leadership to work directly with OMB to discuss any challenges they are facing in implementation. It is critical that OMB continues to use PortfolioStat sessions as an opportunity for open dialogue, and as a growing partnership to address challenges collaboratively. Accordingly, OMB can assist Agencies by providing information on practices seen at other Agencies, or by facilitating information sharing between Agency leaders who have struggled with similar issues.

In preparation for these quarterly meetings, OMB and Agencies should work together to identify areas where OMB can assist with overcoming Agency challenges, such as through clarifications to guidance or information sharing with peers. In addition, OMB should encourage agencies to establish their own, periodic reviews against the FITARA framework. Together, internal Agency reviews and quarterly PortfolioStat sessions will help to ensure that CIOs and their Agencies continue to measure and seek improvements to the management of their IT portfolio.

3.2 OMB and Agencies Should Emphasize and Promote Better Vertical Collaboration and Communication

Based on initial reviews, it is clear that within the majority of Agencies, there are numerous instances in which the bureau CIOs or program offices are making IT acquisition decisions without informing or involving the Agency CIO. Beginning December 31, 2015, Agency CIOs will need to be involved in all

IT-related acquisitions. To help accomplish this, CIO offices should proactively communicate Agency IT standards and guidelines to allow program office IT activities to better align with the Agency's IT direction.

For example, some Agencies referred to conducting pilot tests of their proposed process changes ahead of implementation to identify potential shortcomings or barriers in the process, and to allow staff time to understand the new process requirements and propose modifications. Agencies should consider creating a team to carry out tests of their revised processes, and work with staff to effectively communicate these changes. Agencies may also wish to consider using brown bag sessions to educate staff about the revisions and obtain feedback from the staff who will most directly implement many of these changes.

3.3 Managing Cultural Change Must be a Priority

Successful implementation of FITARA may require cultural changes within Agencies. CIOs have the law on their side, but still need the ability to influence peers, internal stakeholders and their superiors. Through understanding stakeholders, Agency CIOs will be better positioned to align interests to sustain the momentum for change.

Successfully managing change requires sponsorship from credible Agency leadership, consistent change stewardship, and comprehensive engagement of Agency stakeholders. These conditions are of utmost importance as Agencies take incremental steps to strengthen the horizontal and vertical organizational integration gaps observed in the initial Common Baseline review. The CIO's authority over initiatives to mature the four functional areas of FITARA would be strengthened by increased Deputy Secretary (Chief Operating Officer) level oversight. Sponsorship at this level will enable the CIO to have greater access to executives with the authority to break down "ownership" silos that often exist at the CXO level, or within programmatic units. With greater access and coordination and collaboration across the CXO suite, implementation of FITARA may improve within each Agency.

For starters, Agencies need to adopt a comprehensive change management approach that includes (a) an inventory of the key points at which IT decisions are made and ensure that the CIO (or their designees) is engaged at each of those points and (b) encouragement for the CIO to investigate and understand agency business unit needs, as well as challenges and mission objectives, so that the CIO can engage with the business units and propose technologies that better enable achievement of those mission objectives.

3.4 OMB and Agencies should Leverage Existing Forums and Councils to Further FITARA Implementation

As OMB continues to work with Agencies on FITARA implementation and to highlight the roles and responsibilities of the CIO, additional efforts should be made to leverage existing forums to disseminate information and communicate with the entire CXO community. In particular, OMB should work with the various CXO Executive Councils, as well as the Performance Improvement Council and President's Management Council, to provide timely information on FITARA implementation, and provide best practices, templates, or other relevant documents. For example, the CIO Council uses a Knowledge Portal, hosted on MAX, to share best practices with Agency CIOs and IT staff. Using tools such as the Knowledge Portal to disseminate information will amplify the message and ensure a wider reach.

3.5 OMB Should Use the CIO Council to Identify Enhancements to the IT Dashboard

The current IT Dashboard, when combined with the PortfolioStat and Integrated Data Collection processes, provides another powerful tool for OMB and Agencies to maintain effective oversight of IT projects. In FITARA, many of these elements were codified and enhanced. To maximize their impact, OMB and the CIO Council should convene a short-term working group composed of several CIOs, OMB Desk Officers, and other CXOs (as appropriate) to review the current IT Dashboard and recommend enhancements to its reporting. It is critical that Agencies have a strong voice in these recommendations to ensure that any additional requirements drive outcomes and minimize burdens on reporting. Moreover, Agencies can help draw upon any lessons learned under the Data Improvement Program called for in Section C of M-15-14.

3.6 OMB Should Use the Annual April Agency Submissions to Continue to Further Implement and Evolve FITARA Policy and Guidance

Under OMB-M-15-14, Agencies are required to update their “self-assessment annually to identify any obstacles or incomplete implementation of Common Baseline responsibilities that occurred over the preceding 12 months.” For the foreseeable future, the April submission process will keep Agencies focused on implementing FITARA while also providing OMB and the Agencies an annual opportunity to reassess the maturity of Agency IT governance processes. Updates to the Agency self-assessments and the establishment of a more formal scorecard can help Agency CIOs and OMB measure an Agency’s progress towards becoming a more mature IT organization. To that end, the next FITARA submissions (targeted for April 2016) will provide OMB and Agencies another chance to fine-tune how agencies should judge their IT maturity and identify ways to integrate consistent budget, acquisition, and workforce development practices.

3.7 Agencies Should Adopt an Agile-First Approach to Acquisitions

Moving to incremental IT development will require Agencies to undergo a significant shift in culture and management. To promote these changes, Agencies may consider adopting an agile-first approach. By doing so, Agency acquisition staff would be required to carry out acquisitions in an agile manner unless they receive explicit approval to use an alternative approach. To ensure compliance, Agencies could require that any acquisition strategy that does not use an agile approach include a brief written justification explaining the rationale. The CIO will then either approve the exception or require that the acquisition staff re-evaluate the proposed strategy before gaining approval.

3.8 Agencies Should Consider Innovative Approaches to Prepare CIOs for Expanded Leadership Roles

Some CIOs may be under-prepared for the expanded leadership and management challenges that they will face with their new roles and responsibilities under FITARA. Executive coaching, perhaps informed by 360-degree feedback such as from OPM’s Leadership 360, can help CIOs identify areas they need to develop and their strengths to leverage. Even highly-skilled CIOs may benefit from the creative problem solving and innovation that can emerge from a facilitated peer advisory group of cross-Agency CIOs and CXOs, all of whom face strategic and operational issues. In addition, the CIO Council should add relevant management and leadership topics to its “CIO Boot Camp” to help ensure the readiness of new leaders. In addition, efforts should be made to identify future CIO candidates at Agencies. This will allow Agency leaders to pay close attention to the leadership and management accomplishments and training of such candidates, as well as their technical skills.

3.9 Engagement with Industry and Other Partners

There is widespread industry and association interest in maintaining the momentum for Federal IT transformation. Notable entities, such as the Professional Services Council (PSC) and the American Council for Technology - Industry Advisory Council (ACT-IAC), have published information papers and viewpoints in support of the expanding role of the CIO. Where appropriate, OMB should work with these organizations to help inform ongoing efforts to transform Federal IT practices.

4. THE WAY FORWARD: FITARA AS AN ENABLER OF AGENCY TRANSFORMATION

“I think FITARA presents a historic opportunity to reform the management of information technology across the federal government. It's important that we do not underestimate the work and the commitment required by agencies and the broader ecosystem to fully implement this law. And the changes it represents in culture, governance, IT processes, business process, and quite frankly the way we do oversight. Simply replaying pages from our old playbook is not the solution.”

-Tony Scott, November 4, 2015, House Committee on Oversight and Government Reform, Subcommittee on Government Operations, Subcommittee on Information Technology

As discussed above, the Common Baseline established government-wide standards for the roles, responsibilities, and authorities of the Agency CIO and other Senior Agency Officials responsible for the management of IT. This Common Baseline of responsibilities envisions a CIO that is empowered to lead beyond the “traditional” technical domain to help Agencies effectively streamline IT acquisitions and management and increase both Agency investment returns and productivity.

The first Agency self-assessments and implementation plans, submitted in August 2015, represent an important step to achieving better management of IT across the Federal landscape. As a result, OMB and Agency CIOs now have a floor from which they can monitor how much impact and influence the Agency

CIO has, or should have, over IT budgets and resources. In addition, the increased visibility into Agency processes that these submissions provided to OMB is critical to the development of stronger guidance and the dissemination of best practices across government.

The completion and submission of the initial Agency self-assessments and implementation plans, though, is the first step in a much longer process. To be successful, the Common Baseline must not be viewed as a checklist for compliance purposes; rather, it must be used as a framework by which an Agency's IT management practices can be measured. Once an Agency meets the Common Baseline requirements, the goal should be to further refine their management practices to maximize the potential for positive IT outcomes. That is, Agencies are not finished with FITARA implementation just because they give themselves a good rating on an element in the Common Baseline. Agencies must continue to conduct honest assessments on Agency leadership, program managers, and stakeholders regarding the IT management practices throughout an Agency and refine those practices accordingly.

Furthermore, the transformational changes that must take place in Agencies will take time, resources, energy, and, most importantly, consistent engagement and oversight from Agency leadership, OMB, and Congress. For example, integral to nearly every element of the Common Baseline is a strong partnership between CIOs and their CXO peers—at both the Agency and bureau level—so that management at all levels of the Agency has visibility into how IT investments, processes, and resources are managed throughout their organizations. However, based on the review of initial Agency FITARA submissions, it is clear that these close partnerships are not currently in place at many agencies. The establishment of these relationships and processes will take time, but strong working relationships amongst Agency leaders are necessary to drive change in technology-related procurement, workforce development, and budget allocation.

The maturation of an Agency's IT management practices is something that will be ongoing as organizations continue to evolve amidst the constant changes and disruptions that technology brings. However, with the passage of FITARA and the creation of the Common Baseline, Agencies now have new levers that can be used to more fully integrate their CIOs into all aspects of IT management, budgeting, and decision-making. Taken in total, these new tools, techniques, and reforms can ultimately lead to more positive IT outcomes throughout an Agency.