RAILROAD RETIREMENT BOARD

Agency Could Strengthen Plans to Address Key Management Challenges

Why GAO Did This Study

RRB administers retirement, disability, Medicare, and other benefits to railroad workers and their families. GAO and RRB's Inspector General have identified challenges to RRB's ability to effectively carry out its mission. These include difficulty overseeing financial and program integrity, a looming wave of retirements, and aging IT systems.

The explanatory statement accompanying the Further Consolidated Appropriations Act, 2020, includes a provision for GAO to conduct a management review of RRB. This report examines the extent to which RRB has addressed its key operational challenges by (1) implementing a process to oversee and manage program and financial risks, (2) assessing its human capital and post-COVID workplace needs, and (3) modernizing its IT infrastructure.

GAO identified key practices from GAO's prior work and OMB guidance and assessed RRB's progress against these key practices. GAO reviewed relevant federal laws and regulations; RRB policies, plans and documents; OMB policies, and related GAO reports. GAO also interviewed officials from RRB.

What GAO Recommends

GAO is making two recommendations to RRB to (1) develop a written plan that describes how it will complete implementation of its ERM process, and (2) ensure written plans clearly state the intended results of its IT modernization, including metrics and goals for measuring progress. RRB concurred with our recommendations.

What GAO Found

The Railroad Retirement Board (RRB) has taken some promising steps, in alignment with key practices, towards addressing its management challenges. However, some work remains.

Risk management process. RRB has begun implementing an enterprise risk management (ERM) process, which is a decision-making tool that allows agencies to review and manage program and financial risks. It involves several essential elements and related key practices that fit together in a continuous process. RRB has mostly or partially implemented key practices for the first two essential elements and is beginning to implement key practices for the third (see figure). For example, to help address the second element, identifying risks, RRB trained staff to identify and report on program risks, such as not processing timely and accurate retirement applications. RRB also created tools for staff to use to report risks. However, RRB does not have a written plan for completing its ERM implementation. With such a plan, RRB will be better positioned to measure progress toward completing the process. In addition, a written plan could help RRB better use the risk information it collects to target and address serious program and financial risks.

Essential Elements of Enterprise Risk Management (ERM) Implemented by RRB[a]

Essential Elements of Enterprise Risk Management (ERM)

Align ERM process to goals and objectives · Identify risks · Assess risks · Select risk response · Monitor risks · Communicate and report on risks
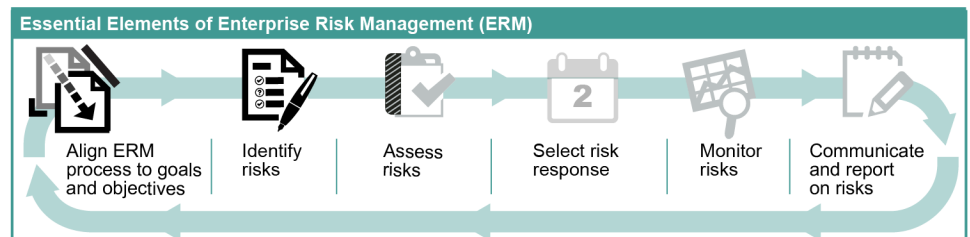
Source: GAO analysis of RRB's ERM implementation; GAO (images). | GAO-24-105545
[a]Shading indicates the essential elements that the Railroad Retirement Board (RRB) mostly or partially implemented.

Human capital and planning for post-COVID workplace needs. RRB's human capital plans and efforts to date have incorporated all key practices for effective strategic workforce planning. For example, RRB analyzed expected employee attrition and used this information to target hiring and training needs. RRB is also revising its telework policies in light of COVID and assessing its space needs to downsize its headquarters, among other things.

IT modernization. RRB assessed its IT needs and laid out a broad strategy for improvements that align with its strategic goals. For example, RRB plans to develop online tools for customers to file benefit applications and update information. However, RRB's IT modernization plans do not incorporate some key information management practices. For example, the agency has not developed plans that clearly state when its IT modernization efforts will be complete or the extent to which it will update its IT systems. In addition, RRB has not developed performance metrics and goals for measuring progress of its modernization efforts. In the absence of plans with clear metrics and goals, RRB may be unable to measure the success of its efforts and adjust approaches as needed.

_____ **United States Government Accountability Office**