



Treasury Inspector General for Tax Administration Office of Audit

ATTESTATION REVIEW OF THE INTERNAL REVENUE SERVICE'S FISCAL YEAR 2009 ANNUAL ACCOUNTING OF DRUG CONTROL FUNDS AND RELATED PERFORMANCE

Issued on January 29, 2010

Highlights

Highlights of Report Number: 2010-10-022 to the Internal Revenue Service Chief Financial Officer and Chief, Criminal Investigation Division.

IMPACT ON TAXPAYERS

The Internal Revenue Service (IRS) reported that it expended \$60.6 million on Office of National Drug Control Policy (ONDCP)-related activities and participated in 462 ONDCP-related cases that resulted in convictions in Fiscal Year (FY) 2009. Based on our review, nothing came to our attention that caused us to believe that the assertions in the Detailed Accounting Submission and Performance Summary Report (the Report) are not presented in all material respects in accordance with ONDCP-established criteria. Complete and reliable financial and performance information is critical to the IRS' ability to accurately report on the results of its operations to both internal and external stakeholders, including taxpayers.

WHY TIGTA DID THE AUDIT

This review was conducted as required by the ONDCP and the ONDCP Circular: *Drug Control Accounting*, dated May 1, 2007. The National Drug Control Program agencies are required to submit to the Director of the ONDCP, not later than February 1 of each year, a detailed accounting of all funds expended (the ONDCP Circular requires amounts obligated) during the previous fiscal year. Agencies also need to identify and document performance measure(s) that justify the results associated with these expenditures.

The Chief Financial Officer, or another accountable senior level executive, of each agency for which a Detailed Accounting Submission is required, shall provide a Performance Summary Report to the Director of the ONDCP. Further, the Circular requires that each report be provided to the agency's Inspector General for the purpose of expressing a conclusion about the reliability of each assertion made in the report prior to its submission.

WHAT TIGTA FOUND

Based on our review, nothing came to our attention that caused us to believe that the assertions in the Report are not presented in all material respects in accordance with ONDCP-established criteria. The IRS reported that it expended \$60.6 million on ONDCP-related activities and completed 652 ONDCP-related investigations in FY 2009. For FY 2009, the IRS also reported it participated in 462 ONDCP-related cases that resulted in convictions.

In addition, based on a recommendation in our FY 2008 attestation report, the IRS informed us that it adjusted its year-end performance information for FY 2009 to include only cases that occurred in FY 2009. Our review of the IRS' Performance Summary Report for FY 2009 did not identify any cases reported that did not occur in FY 2009.

WHAT TIGTA RECOMMENDED

TIGTA made no recommendations as a result of the work performed during this review. IRS management agreed with the facts and conclusions presented in this report.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2010reports/201010022fr.pdf>